



ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105

(602) 771-8500

EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY

Extension Date: October 6, 2011
Original Effective Date: October 1, 2003

File Number: 42-400903.0002

Development: Belmont

Location: Township 2 North, Range 5 West, Sections 3-10, 18, 19, 29-31;
Township 2 North, Range 6 West, Sections 1, 2, 11-14, 24;
Township 3 North, Range 5 West, Sections 17-21, 28-34;
Township 3 North, Range 6 West, Sections 14, 23-26, 35, 36.
Maricopa County, Arizona, Phoenix Active Management Area

Analysis Holder: Belmont LKY 20K LLLP, an Arizona limited liability limited partnership, *et al.*

On October 1, 2003, the Arizona Department of Water Resources (Department) issued Analysis of Assured Water Supply No. 28-400903.0000 (Analysis) to LKY Development Inc. *et al.*, for Belmont for 20,000 acre-feet per year of groundwater for 100 years. The term of the Analysis was ten years from October 1, 2003, the date of issuance. On October 3, 2011, the current owner of the Analysis lands, Belmont LKY 20K LLLP, an Arizona limited liability limited partnership, *et al.*, applied for an extension of the Analysis term. A copy of the original Analysis is attached.

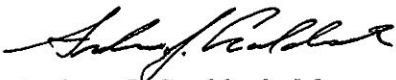
Pursuant to A.A.C. R12-15-703(H), the Department has reviewed the application for extension and has determined that the Analysis holder has made substantial capital investment in the developing the lands included in the Analysis through expenditures for the following: permitting activities, engineering costs, environmental & planning studies, consulting services, application for zoning, obtaining approval of development master plan and other expenses.

The term of the Analysis is extended for an additional five years and will expire on October 1, 2018. This term may be extended for additional five-year periods as provided in A.A.C. R12-15-703(H) and (I). Throughout the term of the Analysis, the estimated water demand of this development that will be met with groundwater will be considered when reviewing other requests for physical availability determinations and determinations of assured water supply in the area. The volume of groundwater remaining available for purposes of future applications for Certificates of Assured Water Supply as of the date of this letter is 20,000 acre-feet per year. See A.A.C. R12-15-703(F)(2). All other conditions of the original Analysis continue to apply.

Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Certificate of Assured Water Supply must be obtained for each subdivision plat. The findings of the Analysis may be used to demonstrate that certain requirements for a Certificate of Assured Water Supply have been met. This determination may be invalidated if the development plan or other conditions considered at the time the Analysis was originally issued change prior to filing for a Certificate of Assured Water Supply.

Questions regarding this letter may be addressed to the Office of Assured and Adequate Water Supply at (602)771-8599.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Craddock", with a stylized flourish at the end.

Andrew J. Craddock, Manager
Recharge, Assured & Adequate Water Supply Programs

AJC/rbo

Attachment: copy of Original Analysis of Assured Water Supply

NOTICE OF RIGHT TO APPEAL AGENCY ACTION

I. Right to Request Hearing

You have the right to request a hearing on the agency action described in the enclosed letter. To request a hearing, you must file a notice of appeal with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 within thirty (30) days from the date of your receipt of this letter. A Notice of Appeal form is enclosed. Pursuant to A.R.S. § 41-1092.03, the grounds for appeal by a party who will be adversely affected by the agency action and who exercised a right to comment on the action provided by law or rule is limited to the issues raised in the party's comments.

If you file a timely notice of appeal, a hearing will be scheduled and you will be given written notice of the time and place for the hearing at least thirty (30) days before the hearing date. The date scheduled for the hearing may be advanced or delayed on the agreement of the Department and the parties to the action or on a showing of good cause. **If no party files a notice of appeal within thirty days from the date of receipt of the enclosed letter, the agency action described in the letter will become final and will not be subject to judicial review.**

II. Right to Request Informal Settlement Conference

If you file a timely notice of appeal as described above, you will have the right to request an informal settlement conference. A request for an informal settlement conference must be in writing and must be filed with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 not later than twenty (20) days before the hearing date. The enclosed Notice of Appeal form includes a place for you to request an informal settlement conference. If you file a timely request for an informal settlement conference, the Department will give you written notice of the time and place for the settlement conference. An informal settlement conference must be held within fifteen (15) days after the request is filed.

If an informal settlement conference is held, a person with the authority to act on behalf of the Department will represent the Department at the conference. The parties participating in the settlement conference will waive their right to object to the participation of the Department's representative in the final administrative decision. Statements, either written or oral, made by the appellant at the conference, including a written document, created or expressed solely for the purpose of settlement negotiations, are inadmissible in any subsequent administrative hearing.

III. Agency Contact Person

If you have any questions regarding the appeals process, or the process for requesting an informal settlement conference, please contact the Docket Supervisor at (602) 771-8472.

DEPARTMENT OF WATER RESOURCES
Office of Assured Water Supply

MEMORANDUM

TO: Sandra Fabritz-Whitney, Director, ADWR

FROM: Richard Obenshain, Office of Assured and Adequate Water Supply

THROUGH: Andrew J. Craddock, Office of Assured and Adequate Water Supply

RE: Request for Approval for an Extension of an Analysis of Assured Water Supply

Application Summary:

<i>Name of Subdivision:</i>	Belmont
<i>Owner Name:</i>	Belmont LKY 20K LLLP, an Arizona limited liability limited partnership, etal.
<i>DWR No.:</i>	42-400903.0002
<i>Total Demand:</i>	20,000 af/yr
<i>Water Provider:</i>	Undetermined
<i>Type of Water Delivered:</i>	groundwater
<i>Physical Availability:</i>	analysis, 28-400903.0000
<i>Amount of Water Remaining for AWS</i>	20,000 af/yr

Certification for Issuance:

Based on the review of this application by the appropriate agency divisions, it has been determined complete and correct. It is therefore recommended that the Department approve this application for an Extension of an Analysis of Assured Water Supply.

Date: October 04, 2011

Primary Reviewer: Richard Obenshain

Date: 10/5/11

Secondary Reviewer: 

ARIZONA DEPARTMENT OF WATER RESOURCES
Office of Assured and Adequate Water Supply
500 North Third Street, Phoenix, Arizona 85004
Telephone (602) 417-2465
Fax (602) 417-2467



JANET NAPOLITANO
Governor

HERB GUENTHER
Director

ANALYSIS OF ASSURED WATER SUPPLY

October 1, 2003

File Number: 28-400903
Development: Belmont
Location: Township 2 North, Range 5 West, Sections 3, 4, 5, 6, 7, 8, 9, 10, 18, 19, 29, 30, 31
Township 2 North, Range 6 West, Sections 1, 2, 11, 12, 13, 14, 24
Township 3 North, Range 5 West, Sections 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 34
Township 3 North, Range 6 West, Sections 14, 23, 24, 25, 26, 35, 36
Maricopa County, Arizona
Phoenix AMA
Land Owner: LKY Development Company, Inc., et al

The Arizona Department of Water Resources has evaluated the Analysis of Assured Water Supply application for Belmont pursuant to A.A.C. R12-15-712. The proposed development includes 37,436 single-family residential lots, 22,872 multifamily residential lots and 6,020 non-residential acres containing commercial industrial areas, pools, schools, parks, open space, rights-of-way, utility uses and 6 golf courses. The water provider has yet to be determined. Conclusions of the review are indicated below based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701 *et seq.*

- **Physical, Continuous, and Legal Availability of Water for 100 Years**
On the basis of the hydrologic study submitted and the Department's review, the Department has determined that 20,000 acre-feet per year of groundwater will be physically available, which is less than the applicant's projected demands for the development of 39,316 acre-feet per year. The 6 golf courses in the development will rely solely on groundwater. The continuous availability of supplies has not been proved at this time. Continuous availability will need to be met by the construction of wells within the development of a capacity to meet the 100 year projected demand. The development is located outside of any current service area including the Town of Buckeye. The legal availability of the water is not proven at this time. Applications for Certificates of Assured Water Supply that follow the Analysis of Assured Water Supply will need to provide a detailed plan of how a water provider will incorporate the proposed development within its service area including the provision of adequate delivery, storage and treatment works. This may include use of Type 1 or Type 2 water rights, or recovery of long term storage credits to create a new or satellite service area or extension of existing service area lines to include the proposed development. Individual Notices of Intent to Serve will be required for each application for a Certificate of Assured Water Supply.

- **Adequate Water Quality**
Adequate water quality has not been fully demonstrated at this time. The proposed development lies outside any service area. To expand into this area, a provider will likely have to construct new wells. The Arizona Department of Environmental Quality will require water quality analyses for new source approval for each well. This requirement of an Analysis of Assured Water Supply will be reevaluated for each application for a Certificate of Assured Water Supply.
- **Consistency with Management Plan for the Phoenix Active Management Area**
The projected demand for the development is consistent with the Third Management Plan for the Phoenix AMA. For large lot areas (lot areas over 10,000 square feet) draft CC&R's for the Belmont development will require the use of low water use landscaping that can only be watered for three years to establish the landscape. All plumbing fixtures will comply with the statewide Low Flow Plumbing Code.
- **Consistency with Management Goal of the Phoenix Active Management Area**
The Assured and Adequate Water Supply Rules (A.A.C. § R12-15-705) allocate a volume of groundwater to each new subdivision in an AMA to allow for the phasing in of renewable supplies. This groundwater allowance may be increased by extinguishing grandfathered groundwater rights. Any groundwater delivery in excess of the groundwater allowance must be met through the direct or indirect use of renewable water supplies (surface water or effluent). Options for demonstrating "consistency with management goal" include: 1) direct use of surface water or effluent; 2) recharge and recovery of surface water or effluent; or 3) membership in the Central Arizona Groundwater Replenishment District (CAGRD).

The application indicates that the proposed development will enroll the lands of the entire development, including the parks, schools and golf courses and other non-residential areas, in the CAGRD to meet this requirement. The membership documents must be executed and recorded before a Certificate of Assured Water Supply will be issued.

Prior to preparing an application for a Certificate of Assured Water Supply for an individual subdivision plat, the Phoenix AMA Office or the Office of Assured Water Supply may be contacted for further guidance.


- **Financial Capability of the Owner to Construct the Necessary Distribution System**
Pursuant to A.A.C. R12-15-707, financial capability will be evaluated by the local platting authority as a part of the process for obtaining a Certificate of Assured Water Supply for each subdivision. The application for a Certificate of Assured Water Supply includes a Verification of Construction Assurance for a Proposed Subdivision form. This form should be signed by the appropriate platting entity to provide evidence of financial capability. This requirement of an assured water supply will be evaluated upon application for a Certificate of Assured Water Supply.

The term of this Analysis of Assured Water Supply is ten years from the date of this letter and may be renewed upon request, subject to approval by the Department. Throughout the term of this determination, the projected demand of this development will be considered when reviewing other requests for assured water supply in the area.

Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Certificate of Assured Water Supply must be obtained for each subdivision plat. The findings of this Analysis of Assured Water Supply may be used to demonstrate that certain requirements for a Certificate have been met. This determination may be

invalidated if the development plan or other conditions change prior to filing for a Certificate of Assured Water Supply.

Questions may be directed to the Office of Assured Water Supply at (602) 417-2465.


Jim Holway, Assistant Director
Water Management Division

cc: Mark Frank, Phoenix Active Management Area

ARIZONA DEPARTMENT OF WATER RESOURCES
OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY
3550 NORTH CENTRAL AVENUE, 2nd FLOOR
PHOENIX, ARIZONA 85012
(602) 771-8599 Fax: (602) 771-8689

DATE RECEIVED:

OCT 3 2011

OFFICE OF ASSURED WATER SUPPLY

42-400903.0002
APPLIC. Belmont

EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY APPLICATION
PART A - GENERAL INFORMATION

1. Has an Analysis of Assured Water Supply (Analysis) previously been issued for this property? ☒ Yes ☐ No. If "no," this may not be the appropriate application form. Please contact the Office of Assured and Adequate Water Supply for assistance.

Name of Analysis: Belmont

Analysis DWR No. 28-400903.0000 (copy attached)

Date Issued: October 1, 2003

2. Please check one or more of the following as appropriate:

- ☒ The holder of the Analysis has made substantial capital investment in developing the land included in the analysis.
☐ The holder of the Analysis has made material progress in developing the land included in the analysis.
☒ Progress in developing the land included in the analysis has been delayed for reasons outside the control of the analysis holder.

Please attach an explanation of the statement(s) checked above and reference as an attachment: **Attachment 1**

Please attach appropriate documentation of the statement(s) checked above and reference as an attachment.

Attachment: **Attachment 2**

3. Contact person for questions regarding this application:

Name: Maggie Gallogly

Company: Fennemore Craig, PC

E-Mail: mgallogly@fclaw.com

Address: 3003 N. Central Ave. Ste 2600, Phx, AZ 85012

Phone: 602.916.5468 Fax: 602.916.5668

4. Owner(s) of the property or Developer (if applicable) (attach additional sheets, if necessary): **Attachment 3**

Owner: Belmont LKY 20K LP limited liability limited partnership, et al Phone: 480.951.1281 Fax: 480.483.2736

Address: 5040 E. Shea Blvd., Suite 254, Scottsdale, AZ 85254 E-mail: rcalihan@lkydev.com

Developer (if applicable): same as owners

Phone: _____ Fax: _____

Address: _____

E-mail: _____

NOTE: Please attach proof of ownership in the form of a title report, condition of title report, limited search title report, or recorded deed, dated within 90 days of the date this application is submitted to the Department. If the buyers will participate in the application process, provide evidence of a purchase agreement. If the property is being developed by someone other than the owner, such as a developer, written consent of the owner must be provided in addition to proof of ownership. **Attachment 4**



FEES:

The initial fee for an Extension of an Analysis of Assured Water Supply Application is \$2,000. Total fees for this application are based upon an hourly billable rate, which can be found on the ADWR website @ www.azwater.gov. If the costs of reviewing your application exceed \$2,000, you will be invoiced for the difference, up to a maximum total fee of \$10,000. Payment may be made by cash, check, or credit card (if you wish to pay by credit card, please contact the Office of Assured and Adequate Water Supply at 602-771-8599). Checks should be made payable to the Arizona Department of Water Resources. In addition to the hourly application fee, the applicant must pay any review-related costs associated with the application and the actual cost of mailing or publishing any legal notice of the application or any notice of a pre-decision administrative hearing on the application. Review-related costs are: (1) costs associated with a pre-decision hearing on the application, such as court reporter services and facility rentals for the hearing, and (2) mileage expenses for a site visit conducted before issuing a decision on the application. **Failure to enclose the initial application fee will cause the application to be returned. Fees for an extension of an Analysis of Assured Water Supply Application are authorized by A.R.S. § 45-113 and A.A.C. R12-15-103.**

INITIAL FEE DUE: \$1,000.00 per amendments to fee rules adopted June 4, 2011

\$2,000.00

I DO HEREBY certify that the information contained in this application and all information accompanying it is true and correct to the best of my knowledge and belief. **NOTE:** All owners must sign (attach additional sheets, if necessary). **NOTE:** You may use the Department's Letter of Authorization for Signature form to give another person the authority to sign this application on your behalf, or you may submit a letter signed by you and dated within 90 days of the date this application is submitted, authorizing your representative to submit applications for permits regarding the land to be included in this Analysis.

See Attached Signature Page

Please print the name and title of the owner or the owner's authorized agent (if signator is someone other than the owner)

See Attached Signature Page

Signature of Owner or Owner's Authorized Agent
2448418.1/060191.0001

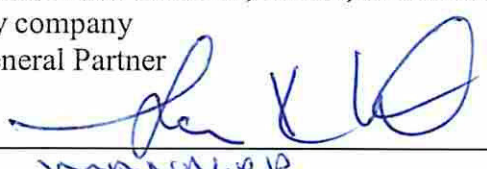
Date

SIGNATURE PAGE
EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY APPLICATION
ANALYSIS NO. 28-400903.0000

OWNER:

BELMONT LKY 20K LIMITED PARTNERSHIP, L.L.P., AN ARIZONA
LIMITED LIABILITY LIMITED PARTNERSHIP

By: LKY Real Estate Belmont, L.L.C., an Arizona limited
liability company
Its: General Partner

By: 
Title: manager
Printed Name: Larry K Young
Date: 9/22/11

ARIZONA DEPARTMENT OF WATER RESOURCES
Office of Assured and Adequate Water Supply
500 North Third Street, Phoenix, Arizona 85004
Telephone (602) 417-2465
Fax (602) 417-2467



COPY

JANET NAPOLITANO
Governor

HERB GUENTHER
Director

ANALYSIS OF ASSURED WATER SUPPLY

October 1, 2003

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Prior to preparing an application for a Certificate of Assured Water Supply for an individual subdivision plat, the Phoenix AMA Office or the Office of Assured Water Supply may be contacted for further guidance.


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Jim Holway, Assistant Director
Water Management Division

cc: Mark Frank, Phoenix Active Management Area

**ATTACHMENT I
TO
EXTENSION OF ANALYSIS OF ASSURED WATER SUPPLY APPLICATION
ANALYSIS NO. 28-400903.0000**

General Description of Substantial Capital Investment

The land included in Analysis No. 28-400903.0000 is being developed for the proposed master-planned community of Belmont. Belmont LKY 20K, LLLP and its partners have invested in excess of \$1.3 million in developing the subject property. This amount does not include the purchase price of the land at Belmont. This capital investment includes, but is not limited to, permitting activities, engineering costs, environmental and planning studies, consultants, a recent zoning application, development master plan approval, and other expenses as shown on the attached schedule (Belmont Expenses Summary).

The investment by Belmont LKY 20 K LLLP, et al in excess of \$1.3 million constitutes a substantial capital investment.

General Description of Delay in Development Progress

The late-2000s recession, more often called the Great Recession, is a severe ongoing global economic problem that began in December 2007 and took a particularly sharp downward turn in September 2008. The Great Recession has affected the entire world economy in the areas of high unemployment, low consumer confidence, the continuing decline in home values and increase in foreclosures and personal bankruptcies, an escalating federal debt crisis, inflation, and rising gas and food prices. (except from http://en.wikipedia.org/wiki/Late_2000s_recession.)

The Arizona real estate market has been severely affected by this recession. Locally, analysts have stated that long-term stability in the housing market will require a gradual shift away from the current, investor-dominated market to one in which the bulk of demand comes from homebuyer occupants. Recovery also will require home-foreclosure activity to decrease significantly from the current level of about 40 percent of all sale transactions to a level much closer to the historical norm of less than 5 percent of transactions. (<http://www.azcentral.com/business/realestate/articles/2011/04/03/20110403valley-home-values-phoenix-market-remains-vulnerable.html>). An article on Forbes.com lists Phoenix, Arizona as one of the 14 most troubled real estate markets in the country, and an article written by Ron Cutler, Prudential Arizona Properties, states that the Phoenix real estate market outlook for 2011 is still distressed and depressed.

The economic recession and down-turn in the real estate market is outside the control of the analysis holder/developer of Belmont, and has created delays in the development of Belmont.

ATTACHMENT 2

Extension of Analysis of Assured Water Supply Application Analysis No. 28-400903.0000

Below are links to several of many internet articles regarding the recession and depressed housing industry.

<http://www.buzzle.com/articles/economists-envision-slow-recovery-throughout-2011.html>

<http://www.buzzle.com/articles/more-homes-reposessed-in-august-than-any-month-of-recession.html>

<http://www.buzzle.com/articles/second-wave-of-the-housing-crisis.html>

http://en.wikipedia.org/wiki/Late_2000s_recession

<http://www.azcentral.com/business/realestate/articles/2011/04/03/20110403valley-home-values-phoenix-market-remains-vulnerable.html>

http://www.forbes.com/2010/02/26/real-estate-advisor-personal-finance-housing-defaults_slide_8.html

<http://ezinearticles.com/?Phoenix,-Arizona-Real-Estate-Market-Outlook:-2011---Still-Distressed-and-Depressed&id=5533670>

ATTACHMENT 2

**EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY
APPLICATION**

ANALYSIS NO. 28-400903.0000

BELMONT EXPENSES SUMMARY

Category	Expenses
Consulting/Legal	\$877,960
Environmental Studies/Consulting	\$77,668
Planning and Architectural Design Studies/Consulting	\$105,948
Water Planning/Permitting/Assured Water Supply	\$80,404
Engineering and Surveying Studies/Consulting	\$67,975
Miscellaneous - signs, fencing, technology and communications, and public affairs	\$105,948
TOTAL	\$1,315,903.00

BELMONT VILLAGES ONE & TWO

Maricopa County, Arizona

ZONE CHANGE WITH

PAD OVERLAY

CASE #: Z2008061

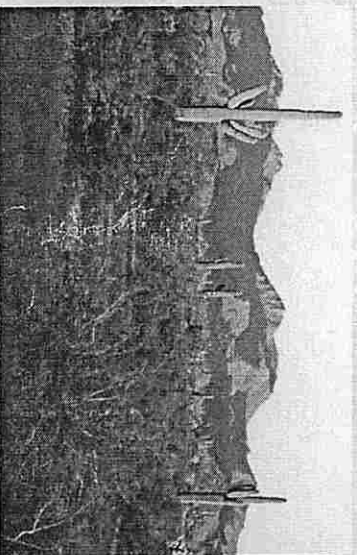
PREPARED: FEBRUARY 2008

REVISED: OCTOBER 2008

REVISED: MAY 17, 2010

REVISED: FEBRUARY 17, 2011

REVISED: JULY 19, 2011



I recognize and acknowledge that this Narrative Report will become a part of the application to which it applies and that the truth of its contents will be relied upon by the Maricopa County Planning and Development Department, the Maricopa County Planning and Zoning Commission, and the Maricopa County Board of Supervisors.

I certify that no information contained within the Narrative Report is knowingly or willingly false. If any information contained within the Narrative Report is knowingly or willfully false, I understand that I am subject to punishment and that any approvals or permits granted by Maricopa County in reliance upon the truthfulness of the information contained within the Narrative Report may be revoked or rescinded through the public hearing process.

Signed: _____

Date: _____

PROJECT TEAM



HADLEY
DESIGN GROUP

LAND PLANNING/LANDSCAPE ARCHITECTURE
HADLEY DESIGN GROUP, INC.
CONTACT: JASON N. HADLEY
7400 E. McDONALD DRIVE SUITE 122
SCOTTSDALE, AZ 85250
480.478.0096

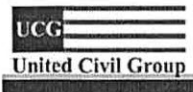
BEUS GILBERT
PLLC
ATTORNEYS AT LAW

LAND USE ATTORNEY
BEUS/GILBERT, PLLC
CONTACT: PAUL E. GILBERT
4800 N. SCOTTSDALE ROAD SUITE 6000
SCOTTSDALE, AZ 85251
480.429.3002

EnviroSystems Management, Inc.
Environmental Planning • Regulatory Compliance

ENVIRONMENTAL CONSULTANT
ENVIROSYSTEMS MANAGEMENT, INC.
CONTACT: LYNN A. NEAL
1928 N. 2ND STREET
FLAGSTAFF, AZ 86004
928.226-0236

CIVIL ENGINEERING & 404 APPLICATION
HILGART WILSON
CONTACT: RON HILGART
1661 E. CAMELBACK ROAD SUITE 275
PHOENIX, AZ 85016
602.490.0535



TRAFFIC CONSULTANT
UNITED CIVIL GROUP
CONTACT: SARAH SIMPSON
2803 N. 7TH AVENUE #16
PHOENIX, AZ 85007
602.265.6155

OWNER / DEVELOPER:
BELMONT PARTNERSHIP
CONTACT: LARRY YOUNT
5040 E. SHEA ROAD SUITE 254
SCOTTSDALE, AZ 85254
602.951.1281



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1. ZONING / PAD-DMP COMPARISON CHART

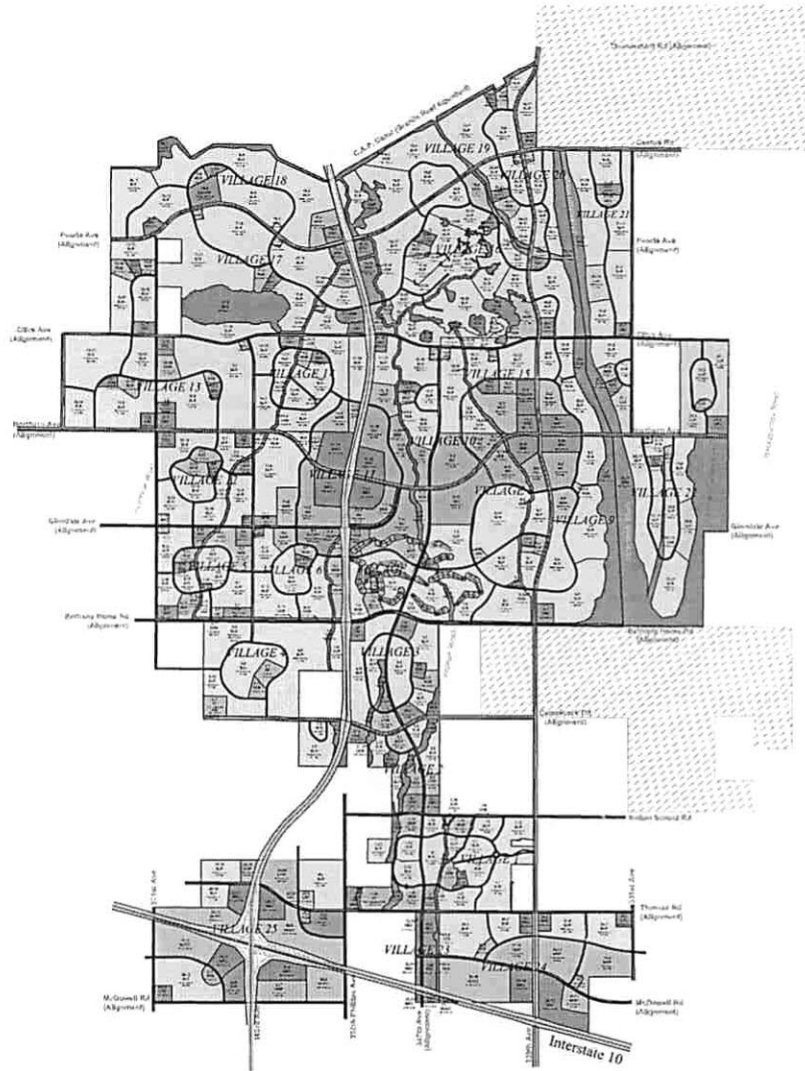


FIGURE 1: BELMONT DMP

In May of 1991, the Maricopa County Board of Supervisors approved the Belmont Development Master Plan (DMP) for approximately 20,800 acres in western Maricopa County. Since that time, the Arizona State Land Department, a partner in the Belmont DMP since 1991, added approximately 4,000 acres to the master plan. In 2006, the DMP was amended to include the additional 4,000 acres of State Trust land, increasing the total Belmont project acreage to approximately 24,800 acres. The amended DMP applied new planning principles creating a distinct Town Center and employment core. In December of 2006, the Maricopa County Board of Supervisors unanimously approved the DMP amendment (case #DMP2006001) for the entire 24,800.

Subsequent to the December 2006 approval, the proposed MAG Hassayampa Freeway / Interstate 11 realignment resulted in additional modifications to the Belmont Development Master Plan and another major amendment was filed (case #2007009). This DMP amendment was unanimously approved June 18, 2008, and represents the land use framework that governs this zoning application.

Extensive planning and visioning of the Belmont project has created a community driven by open space, recreation and community focused programming. Belmont is designed as a mixed-use community, offering approximately 78,370 home sites and over 3,400 acres of open space, trails and parks weaving through the entire development. Onsite employment and shopping opportunities will provide residents with an alternative to commuting to the downtown Phoenix Metropolitan area, strengthening the theme of a sustainable community. The overall DMP has roughly 2,700 acres of commercial, industrial and office uses, with an additional 1,100 acres set aside for the development of a mixed-use Town Center in the core of Belmont. The residential portions of Belmont, totaling approximately 16,875 acres, will include multiple master planned communities consisting of several villages. The villages will range from family villages to active adult villages, allowing for families of all sizes and income levels to be residents of Belmont. Each diverse village will be developed individually, under an overall unifying and cohesive theme and organized around schools and parks. The separate villages will link to each other through the trails, open space, and circulation systems. It is estimated that at completion, Belmont will be home to approximately 209,250 people.

This zone change request is specific to Villages One and Two of the Belmont DMP. Villages One and Two, located in the south central portion of Belmont, are the first phase of the Belmont project.

PURPOSE OF REQUEST

The purpose of this request is to establish base zoning for Villages One and Two that is consistent with the Belmont Development Master Plan. A Planned Area of Development (PAD) overlay is requested along with the base zoning. The site is currently undeveloped rural land and zoned Rural-43 in Maricopa County. This zone change request with PAD overlay will provide the flexibility necessary for the development to mature according to changing demographic and market trends expected over the life of the project.

This rezoning request seeks approval of:

- 203 acres of Rural-43
- 137 acres of R1-10
- 180 acres of R1-8
- 571 acres of R1-6
- 168 acres of R-3
- 51 acres of R-5
- 63 acres of C-2 PD

This zoning request, as required by the Maricopa County Planning and Development Department, documents the design philosophy of Villages One and Two and reaffirms the vision of the approved Belmont DMP. This document provides development guidance and includes information on the following design elements: land uses, project theme, landscape character, open space and recreation components, walls and monumentation, community facilities and services, and public utilities and services.

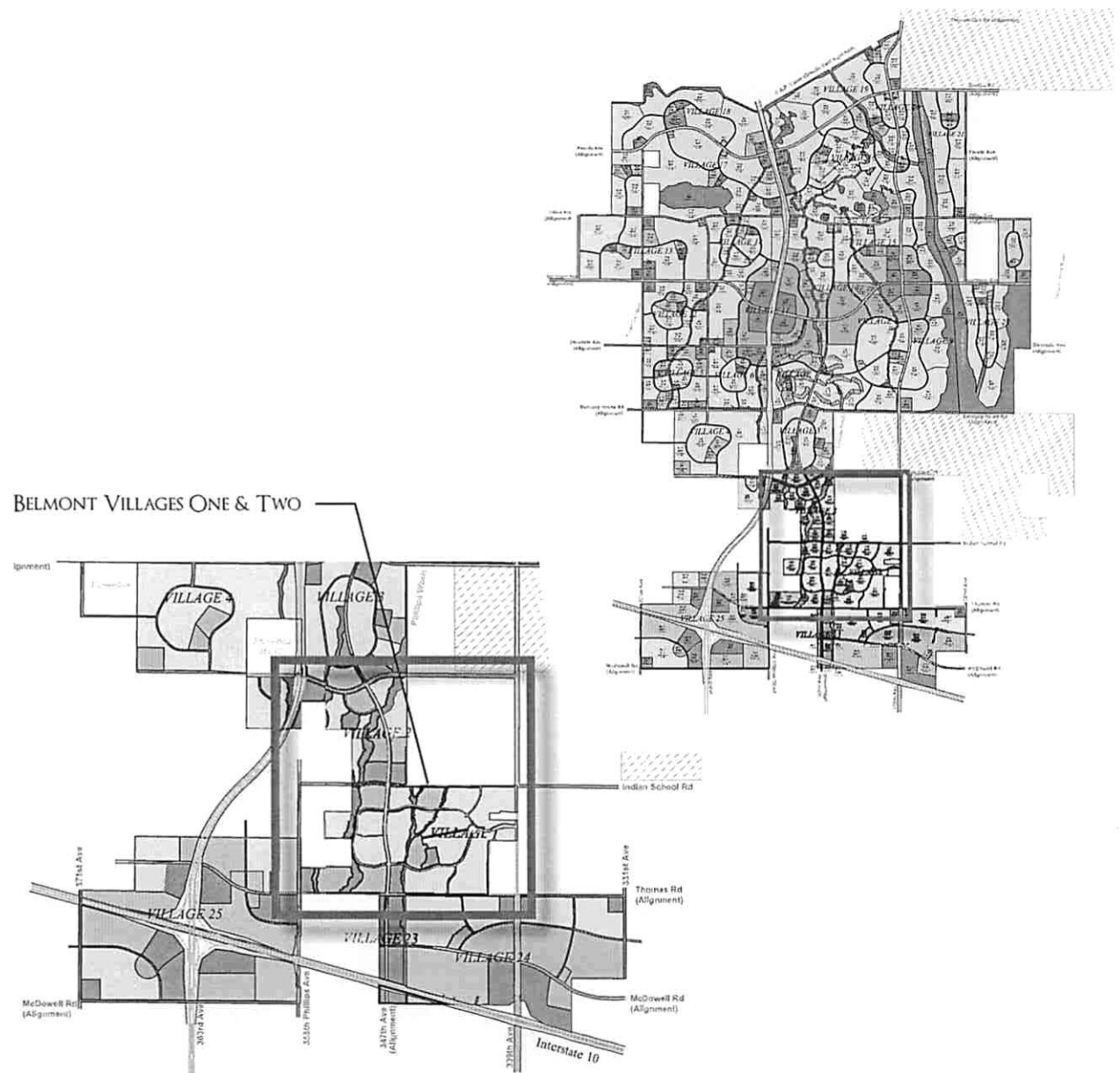


FIGURE 2: LOCATION MAP

Belmont is a community that is committed to the following guiding principles: meaningful open space, employment, education, pedestrian oriented retail uses and residential villages. There are twenty-five (25) villages planned within the Belmont DMP. Each diverse village will be developed individually, under an overall unifying and cohesive theme that is organized around schools and parks. The separate villages will link to each other through the trails, open space network and roadway circulation system. Each village is comprised of multiple districts and neighborhoods, each neighborhood encompassing roughly a quarter mile diameter. Villages incorporate a community core, which can range in use from a neighborhood park to a neighborhood commercial center with a coffee shop or deli, allowing all residents to be within a short walk from an active neighborhood center.

Villages One and Two are located in the south central portion of the overall project and are proposed to be the first phase of development. Villages One and Two are approximately 1,373 acres in size and are envisioned to be the guiding force for future phases to follow. The goal is to create an integrated living environment that blends the streetscape with architecture and lifestyle while reflecting neighborhood charm. Each village will have its own character. Villages One and Two will offer a variety of lot sizes and product types designed to appeal to homebuyers in varying market groups.

Village One will be planned around a traditional neighborhood core that incorporates a large linear park and community center. This area is designed on a central defining axis, providing views to nearby mountains to the north or west. At the core of Village One is an abundance of open civic space which will allow the residents a place to gather and feel a sense of community. A K-8 school and neighborhood park have been designed adjacent to this central amenity area, further anchoring this area as the central gathering hub for Village One.

Village Two centers around a community park with community center that is not only an amenity for Village Two, but for the Belmont project as a whole. Meaningful open space and recreation amenities create a connective backbone throughout each parcel, connecting each to this greater community park. A K-8 school is proposed for Village Two.

Neighborhood commercial will also be a component of Villages One and Two. Consistent with historical development patterns, retail development will likely occur as a "follower use" to residential development. Initial retail development will be characterized as predominantly neighborhood oriented with possibly some community retail facilities. Pedestrian links will be provided to commercial parcels where appropriate.

Major access to Villages One and Two will be provided by 339th Avenue from Interstate 10. A future interchange is planned at 347th Avenue which will provide future additional access to and from the site.

EXISTING LAND USE CATEGORIES

Villages One and Two offer a variety of land uses including: Small Lot Residential (SLR), Medium Density Residential (MDR), High Density Residential (HDR), Open Space, both Recreational Open Space (ROS) and Dedicated/Non-Developable Open Space (DNDOS), Community Retail Center (CRC), Public Facility (PF) and Education (EDU). The land use designations for Villages One and Two are consistent with the approved Belmont Development Master Plan (DMP). The predominant land use for Villages One and Two is residential with roughly 1,032 acres designated to accommodate a variety of housing types. The interconnecting open space design consisting of approximately 203 acres includes a system of neighborhood parks, playgrounds, community centers and trails as well as natural and recreational open space. Meaningful open space, trails, and recreational amenities create the connective backbone that ties the neighborhoods together and connects each village throughout the Belmont master plan. Multiple community commercial parcels have been located along arterial roadways within Villages One and Two to provide convenience goods and personal services that will meet the daily needs of the immediate neighborhood.

There are seven (7) distinct land use components to the Villages One and Two master plan:

1. SMALL LOT RESIDENTIAL (SLR)

The Small Lot Residential category identifies areas where single-family residential development is appropriate and urban services such as sewer, water, schools, parks, and emergency services are available. Permitted uses in the SLR category includes residential, municipal, and civic buildings, educational facilities, and parks. Residential densities greater than 5.0 DU/AC may be permitted, but only if areas of lower densities offset the increase, thereby maintaining an average of no more than 5.0 DU/AC within each village. A variety of lot widths and depths will be offered within each village allowing for product diversity and a range of housing opportunities. The SLR land use areas will be developed under the R1-10, R1-8, R1-7, and R1-6 zoning districts.

2. MEDIUM DENSITY RESIDENTIAL (MDR)

The Medium Density Residential category identifies areas where intermediate single and multiple family residential density is appropriate, and urban services such as sewer, water, schools, parks, and emergency services are available. Single and multiple family residential developments may be permitted, provided that overall development densities do not exceed 15 dwelling units per acre. Residential densities greater than 15.0 DU/AC may be permitted, but only if areas of lower densities are programmed within the villages to offset the increase, maintaining an average of no more than 15.0 DU/AC for that village.

3. HIGH DENSITY RESIDENTIAL (HDR)

The High Density Residential category identifies areas where high density multiple family residential is appropriate, and urban services such as sewer, water, schools, parks, and emergency services are available. Residential densities greater than 15 DU/AC may be permitted. HDR parcels are appropriately located near services, open space amenities and major thoroughfares.

4. OPEN SPACE

A network of public open space is provided throughout Villages One and Two in the form of wash corridors, trail linkages, neighborhood parks, village squares and community parks. Each public open space offers a destination for village residents to gather. Open space for Villages One and Two

OPEN SPACE CONT.

meets the recommended Maricopa County Development Master Plan Guidelines in regards to open space acreage and percentage. Parcels that are designated with an open space land use (DNDOS or ROS) on the approved Belmont DMP will remain designated open space and zoned Rural-43. Land use acreages will be tracked on all subdivision plats and precise plans to ensure that open space acreages meet what is required by the approved DMP.

DEDICATED/NON-DEVELOPABLE OPEN SPACE (DNDOS)

The Dedicated/Non-Developable Open Space category denotes areas best suited for permanent open space preservation, including such uses as: scenic areas, mountain preserves and washes. No residential or commercial development will be allowed in these designated areas.

RECREATIONAL OPEN SPACE (ROS)

The Recreational Open Space category identifies areas suitable for either active or passive recreation activities. Appropriate uses in this category include golf courses, club houses, community centers, neighborhood/community parks, and areas intended for athletic events.

5. COMMUNITY RETAIL CENTER (CRC)

The Community Retail Center category includes areas where general neighborhood/community based commercial uses may take place. Community Retail Centers provide personal services and convenience goods that meet the daily needs of an immediate neighborhood trade area with an approximate population of 5,000 people. This land use category permits developments with a total building area of 100,000 to 500,000 square feet. There are three proposed CRC parcels, one in Village One and two in Village Two. All three parcels, each approximately 20 acres in size, are located along major arterial roadways and adjacent to higher density land uses. The CRC land use areas will be developed under the C-2 PD zoning district.

6. PUBLIC FACILITY (PF)

The Public Facility category includes a range of community facilities including but not limited to; sheriff's offices, libraries, water reclamation facilities, water campuses, community centers, schools and worship sites. A Water Reclamation Facility and Water Campus are proposed for the southwest corner of Village One. The facilities will be owned and operated by Hassayampa Utility Company and Water Utilities of Greater Tonopah. All Public Facilities will have an underlying zoning of R1-6 and will be permitted uses with a special-use permit.

Dwelling-unit counts for these parcels have been restricted and/or eliminated so that if, for any reason, the public facility is not developed as such, previous entitlements may need to be amended to establish a density for the site(s).

7. EDUCATIONAL (EDU)

The Educational category includes areas where public school facilities (K-8 and High School) will be located. Two K-8 schools are located in Villages One and Two, one in each village. The parcels will be zoned as R1-6. Schools and educational uses are permitted uses within all single family residential zoning districts and will be developed as such. Dwelling-unit counts for these parcels have been restricted and/or eliminated so that if, for any reason, the schools are not developed as such, previous entitlements may need to be amended to establish a density for the site(s).

PROPOSED ZONING CATEGORIES

Villages One and Two will provide a variety of zoning category options including: Rural-43, R1-10, R1-8, R1-6, R-3, R-5 and C-2 PD. A Planned Area of Development (PAD) overlay is requested along with the base zoning. All zoning development standards for Villages One and Two will be consistent with the Maricopa County Zoning Ordinance.

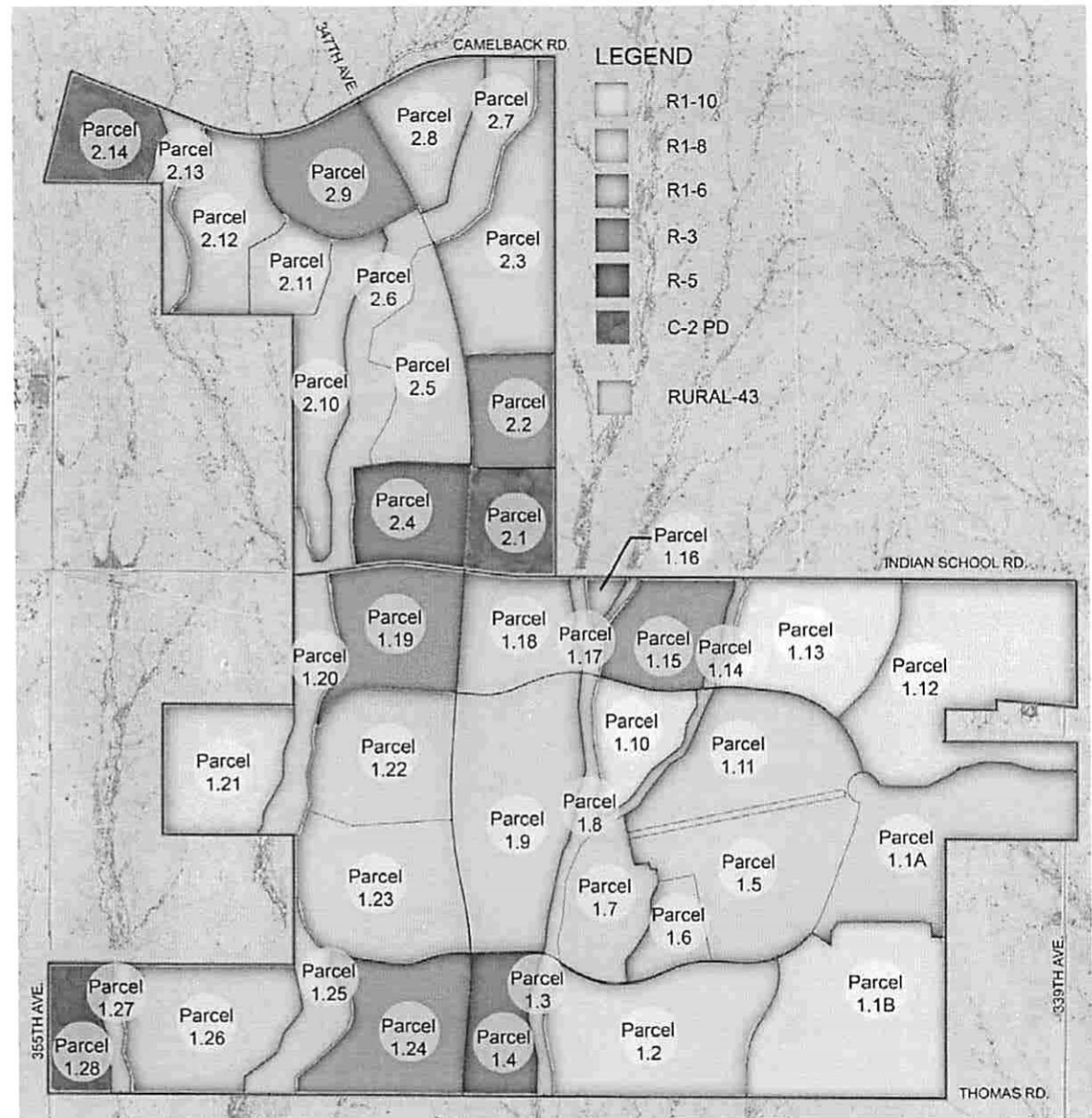


FIGURE 4: PROPOSED ZONING

VILLAGE ONE

DMP Parcel	PAD Parcel	DMP Gross Acres	PAD Gross Acres	DMP Max. Allowed Units	PAD Max. Allowed Units	DMP Land Use	PAD Zoning
1.1	1.1A	128.50	57.21	643	643	SLR	R1-6
	1.1B		71.28				R1-10
1.2	1.2	64.50	64.63	323	323	SLR	R1-8
1.3	1.3	5.18	5.18	0	0	DOS	RURAL-43
1.4	1.4	22.58	22.58	565	565	HDR	R-5
1.5	1.5	52.76	52.81	264	264	SLR	R1-6
1.6	1.6	13.23	13.23	0	0	EDU	R1-6
1.7	1.7	30.38	30.38	0	0	ROS	RURAL-43
1.8	1.8	14.64	14.71	0	0	DOS	RURAL-43
1.9	1.9	70.13	70.13	351	351	SLR	R1-6
1.10	1.10	21.52	21.52	108	108	SLR	R1-10
1.11	1.11	46.75	46.75	234	234	SLR	R1-6
1.12	1.12	80.48	80.23	402	402	SLR	R1-8
1.13	1.13	43.74	43.73	219	219	SLR	R1-10
1.14	1.14	3.13	3.12	0	0	DOS	RURAL-43
1.15	1.15	28.77	28.76	432	432	MDR	R-3
1.16	1.16	3.24	3.23	16	16	SLR	R1-6
1.17	1.17	5.46	5.46	0	0	DOS	RURAL-43
1.18	1.18	30.25	30.25	151	151	SLR	R1-6
1.19	1.19	38.07	38.07	571	571	MDR	R-3
1.20	1.20	20.98	20.98	0	0	DOS	RURAL-43
1.21	1.21	35.77	35.78	179	179	SLR	R1-8
1.22	1.22	42.61	42.64	213	213	SLR	R1-6
1.23	1.23	52.21	52.21	261	261	SLR	R1-6
1.24	1.24	44.70	44.71	671	671	MDR	R-3
1.25	1.25	17.75	17.75	0	0	DOS	RURAL-43
1.26	1.26	47.02	47.02	0	0	PF	R1-6
1.27	1.27	5.71	5.71	0	0	DOS	RURAL-43
1.28	1.28	18.33	18.33	0	0	CRC	C-2 PD
Village One Total		988.39	988.39	5,603	5,603		

* Actual lot yield to be determined at preliminary plat stage and shall be consistent with the density ranges approved under the Belmont DMP.

TABLE 1: ZONING / PAD -DMP COMPARISON CHART

VILLAGE TWO

DMP Parcel	PAD Parcel	DMP Gross Acres	PAD Gross Acres	DMP Max. Allowed Units	PAD Max. Allowed Units	DMP Land Use	PAD Zoning
2.1	2.1	21.97	21.97	0	0	CRC	C-2 PD
2.2	2.2	23.07	23.07	346	346	MDR	R-3
2.3	2.3	49.08	48.70	245	245	SLR	R1-6
2.4	2.4	28.16	28.16	704	704	HDR	R-5
2.5	2.5	34.46	34.46	0	0	ROS	RURAL-43
2.6	2.6	32.05	32.05	0	0	DOS	RURAL-43
2.7	2.7	21.84	20.48	0	0	DOS	RURAL-43
2.8	2.8	28.25	26.65	141	141	SLR	R1-6
2.9	2.9	33.90	33.90	509	509	MDR	R-3
2.10	2.10	32.59	32.59	163	163	SLR	R1-6
2.11	2.11	15.05	15.05	0	0	EDU	R1-6
2.12	2.12	32.55	32.55	163	163	SLR	R1-6
2.13	2.13	12.24	12.24	0	0	DOS	RURAL-43
2.14	2.14	22.99	22.99	0	0	CRC	C-2 PD
Village Two Total		388.20	384.86	2,271	2,271		

Note: 3.34 acres were transferred from Village Two to Village Three due to a minor shift in the Camelback Road alignment. The following is a breakdown of the acreage transfer:

- 1.60 acres of DMP Parcel 2.8 (SLR) transferred to DMP Parcel 3.1 (CRC)
- 1.36 acres of DMP Parcel 2.7 (DOS) transferred to DMP Parcel 3.3 (DOS)
- 0.38 acres of DMP Parcel 2.3 (SLR) transferred to DMP Parcel 3.3 (DOS)

In preparation for the zoning application for Villages One and Two, a more accurate and updated survey was prepared for Belmont, resulting in a discovery that the Camelback Road alignment was slightly north of the section line. With this application, the Camelback Road alignment was shifted very slightly to the south to align with the section line (consistent with the County's alignment of the road) where the roadway exits the Belmont property. This revision resulted in a minor transfer of 3.34 acres from Village Two to Village Three and does not have an impact to any neighboring projects.

* Actual lot yield to be determined at preliminary plat stage and shall be consistent with the density ranges approved under the Belmont DMP.

TABLE 1: ZONING / PAD -DMP COMPARISON CHART

SITE LOCATION AND SURROUNDINGS

Belmont, located in western Maricopa County, is approximately 35 miles west of the incorporated boundary of Phoenix adjacent to the Town of Buckeye. The Belmont DMP is bounded on the north by the CAP Canal and BLM lands; to the east and west by private property and existing agricultural uses; and to the south by Interstate 10.

Villages One and Two are located in the south central portion of the Belmont DMP, bounded by Village Three to the north, Village Twenty-three to the south and privately owned property to the east and west. Villages One and Two lie approximately one mile north of Interstate 10, just west of the 339th Avenue alignment. The site consists largely of undeveloped desert, has a moderate amount of desert vegetation and has scenic views of Flatiron Mountain to the north.

Other planned communities in the immediate area include Hassayampa Ranch, Douglas Ranch, Tartesso, Desert Whisper, Copper Leaf and Balterra. These neighboring developments incorporate residential uses along with commercial and employment components. These projects range in size from 960 acres (Desert Whisper) to 35,000 acres (Douglas Ranch) and combined will provide approximately 100,000 residential units and more than 3,300 acres of commercial and employment uses.

Several communities are located west of Belmont, along Interstate 10. These include: Sierra Negra Ranch, Saddle Mountain Park, and West Phoenix Estates.

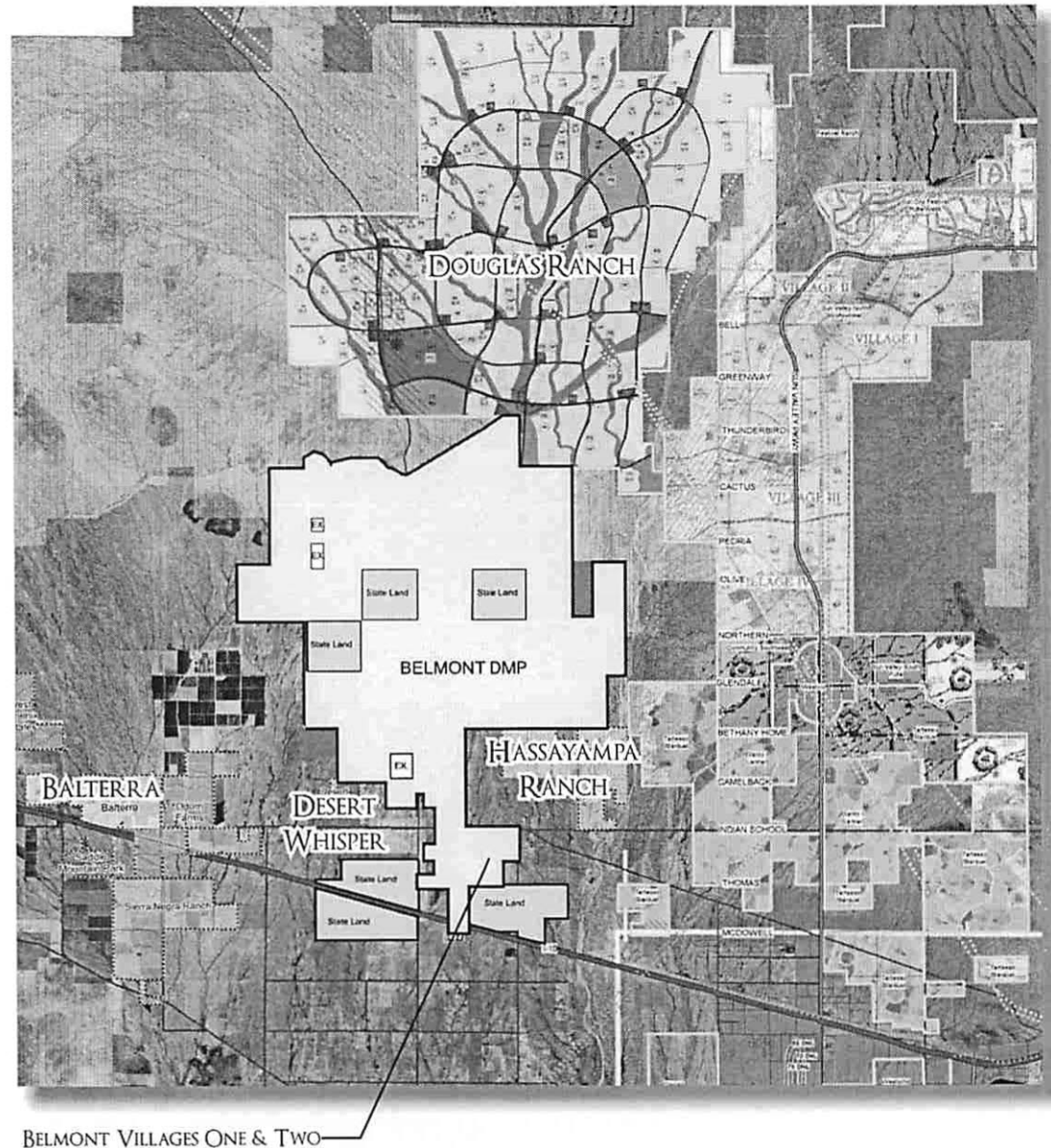


FIGURE 5: REGIONAL VICINITY MAP

COMPLIANCE WITH DEVELOPMENT MASTER PLAN

The Belmont Development Master Plan provides a balance between work, recreation, retail and educational opportunities for the West Valley. This zone change request for Villages One and Two is in conformance with the approved Belmont DMP Amendment case# 2007009. This request meets the open space, commercial and residential guidelines set forth in the approved DMP.

- Mini parks are located within a quarter mile of most residential units. Approximately 24 mini parks have been planned for Villages One and Two.
- Neighborhood parks are located within one-half mile of the majority of project residents. One neighborhood park is planned for Village One.
- Community parks are located within a two-mile radius of the majority of project residents. One community park is planned for Village Two.
- Dedicated and recreational open space acreages follow the requirements outlined in the Belmont DMP and meet the recommended Maricopa County guideline.
- Community commercial areas are planned to serve a market area of 3.5 miles. There are three (3) community commercial parcels planned within Villages One and Two.
- Land uses and densities for Villages One and Two are consistent with those designated in the Belmont DMP.
- Zoning designations are consistent with the land use categories shown in the Belmont DMP and compatible with other master-planned communities similar in size.
- This request complies with all current goals and requirements of the Maricopa County Bicycle Transportation Plan. Multi-use trails will be developed to accommodate internal bicycle circulation, including opportunities to connect to other bicycle paths within Belmont and outside of the Belmont DMP.
- This request complies with all current goals and requirements of the Maricopa County Department of Transportation and the MAG Hassayampa Valley Transportation Framework Study. This compliance is detailed in the Traffic Impact Analysis Report, submitted under separate cover.
- This request complies with the current goals of the Maricopa County Regional Trail System Plan. A shared-use, non-motorized trail system will be provided to link Villages One and Two with the overall Belmont community and future regional connections.
- This request accommodates mitigation measures for air quality impacts. The land use plan includes a fully-integrated multi-use trail system to accommodate pedestrian and bicycle connectivity throughout the community, and is also designed to accommodate both vertically and horizontally integrated land uses in order to create a true mixed-use environment. Both of these measures are intended to reduce dependency on traditional automotive transportation within the community and will be outlined in more detail with a future Multi-Modal Study.

ZONING AND ENTITLEMENT HISTORY

Villages One and Two are currently zoned Rural-43 and under the jurisdiction of unincorporated Maricopa County. Many surrounding properties are also zoned Rural-43, but are planned for higher density development. Southwest of the site is a small parcel zoned R-5 (Multiple-Family Residential Zoning District). South of the site, at the southwest corner of Interstate 10 and 339th Avenue, two undeveloped parcels zoned C-2 (Intermediate Commercial Zoning District) and IND-2 (Light Industrial Zoning District) are programmed for the TA Travel Center.

The current Belmont Development Master Plan (DMP) was approved on June 18, 2008.

PROPERTY LEGAL DESCRIPTION

See Appendix A

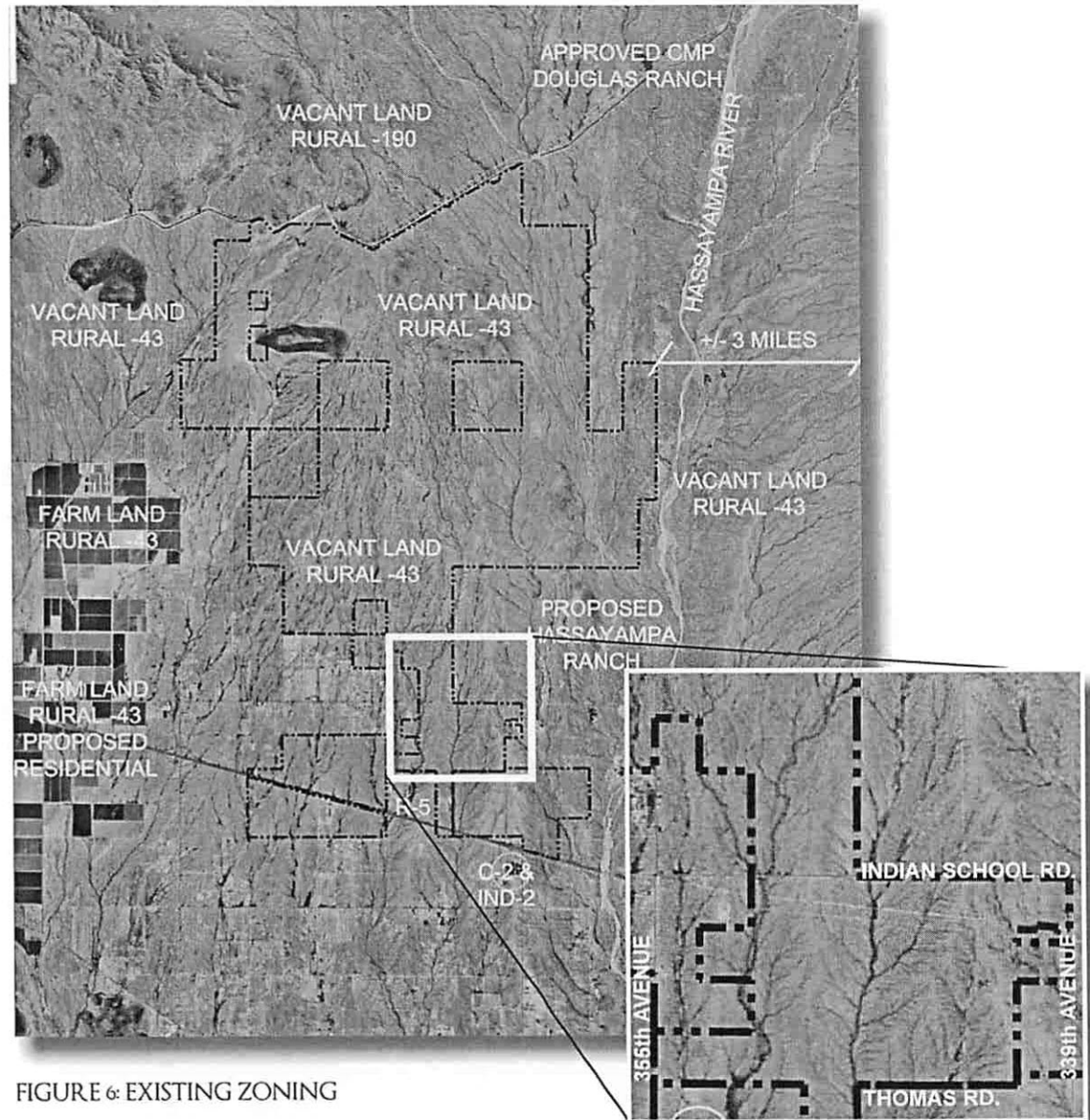


FIGURE 6: EXISTING ZONING

PROJECT THEME

Villages One and Two offer a variety of housing options for many family types and income groups, provide recreation opportunities for multiple user types and incorporate an integrated open space system that preserves and enhances the natural Sonoran Desert. The land plan has been designed to capture views to the nearby Belmont and White Tank Mountains as well as Flatiron Mountain located within the Belmont project boundary. In addition, sensible planning has been done to integrate, where feasible, land uses with the natural wash features that traverse the site. Design themes for Villages One and Two plan to incorporate the rich colors and textures of the desert and surrounding hillsides into the architectural features, landscape and other built elements of the site. The theme utilizes shade and shadow, desert hues and natural materials to create a palette that is compatible with and complimentary to the Sonoran Desert. Vertical elements such as pilasters, columns and walls attain contemporary feel by integrating a variety of historic and natural materials and accent colors. Their design is a reflection of the mountains and mesas that rise quickly from the desert floor.

The plant material provides a softening element to the design, adding textural quality that both accentuates the built elements and can act as a stand-alone design feature. Native Sonoran Desert plants will be incorporated into the landscape theme, consistent with the overall aesthetic, while more evergreen plants are introduced in civic and public recreational spaces. An evergreen plant palette will be used as accents to add color and soften edges. Large canopy trees will be used to provide shade and interest for pedestrians and to denote landmarks throughout the site.

In order to protect the views of the Belmont and White Tank Mountains, which are a prominent feature of the north and eastern skylines, view corridors will be designed and constructed at the end of cul-de-sacs and where appropriate within neighborhoods. These corridors create path and trail connections within neighborhoods and allow for open views to both mountain ranges and other site features such as washes.

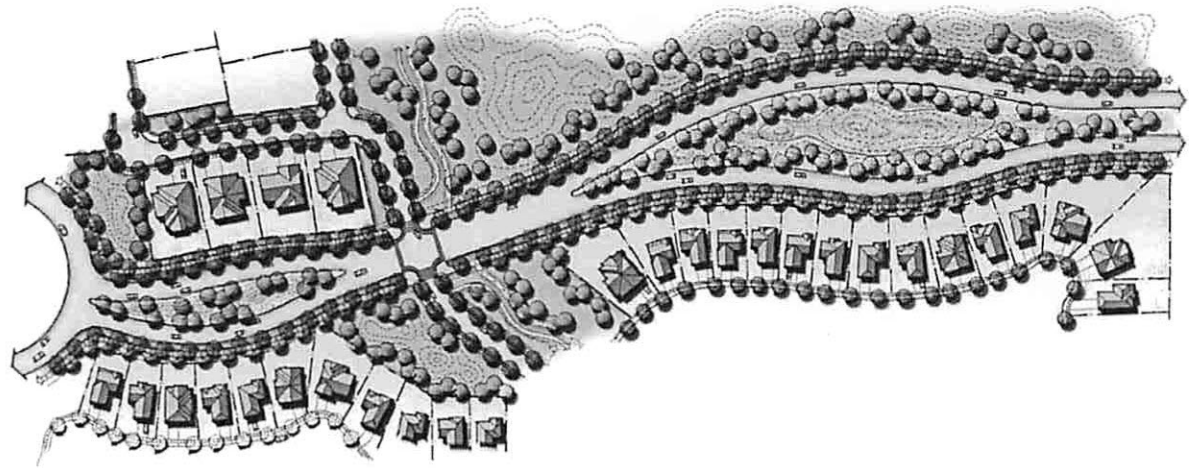
Approximately 203 acres of Villages One and Two are devoted to open space, with approximately 32% of the open space dedicated to useable open space. The goal of the open space plan is to enhance community character and quality of life by providing connectivity and recreational opportunities for residents of all ages. An emphasis will be placed on concentrating open space recreation facilities within the interconnecting open space spines, which weave throughout the villages as well as the entire Belmont project. Preserving and enhancing the Sonoran Desert character within the open space spine will create a unifying theme throughout the project, while creating an inviting, linear park environment.

Whenever possible, entries into parcels will open onto active/passive neighborhood open space. These open space areas will give each neighborhood an identity in the community and will provide a sense of arrival.

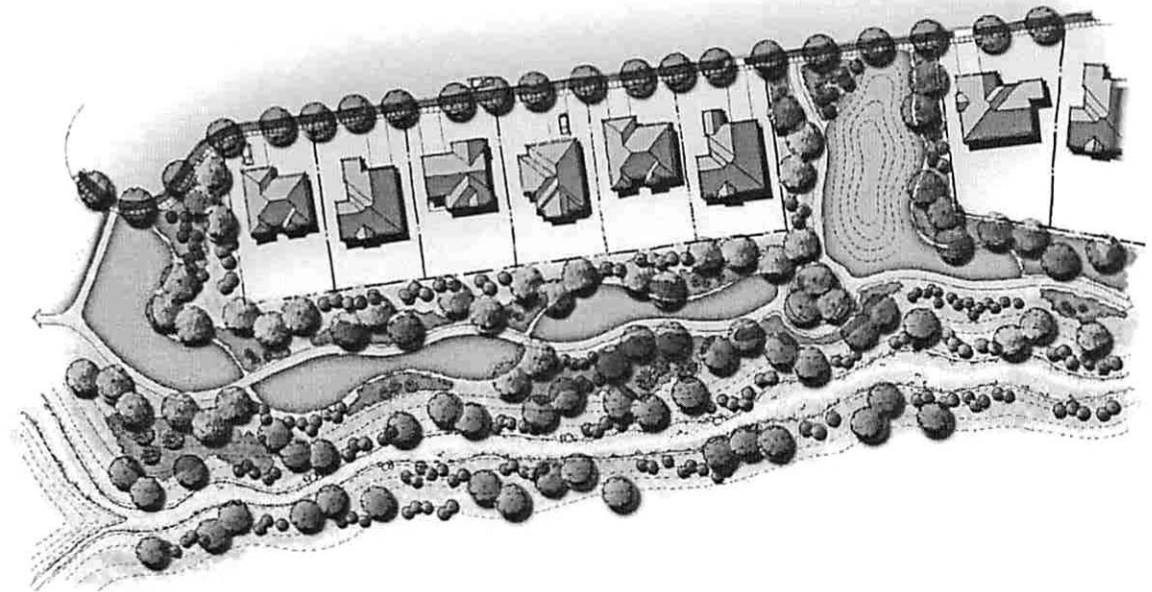
LANDSCAPE CHARACTER

The landscape character of Villages One and Two follows and builds on the design themes set forth in the Belmont Development Master Plan. There are three distinct characterizations of the landscape: lush planting, transitional planting and enhanced Sonoran Desert planting. The public areas such as parks, boulevards, commercial zones, and major entry nodes will reflect a soft, inviting and green environment. The landscape palette will consist of large, broad leaf, evergreen trees, evergreen shrubs, and some turf. The semi-public and private areas located within the neighborhoods of each village will be transitional spaces, transitioning from more evergreen to native desert environments. The plant palette will consist of mostly green and silver desert materials. Dedicated open space areas, located along the wash corridors and providing major links to other areas of Belmont, will consist of enhanced desert material. Existing trees and specimen cactus will be relocated, when possible, to provide an authentic and sustainable landscape palette. The overall design intent is to utilize a variety of low water use trees, shrubs and groundcovers that will provide shade, visual interest, buffering and aesthetic values to the project. The proposed plant list for all Belmont common areas is shown in Appendix B. A list of plant material allowed for use in residential applications will be provided to homeowners in the CC&Rs.

All irrigation of common areas and lakes over ten acres in size shall be done entirely with a renewable water supply when sufficiently available.



CONCEPTUAL PUBLIC LANDSCAPE DESIGN



CONCEPTUAL SEMI-PUBLIC/OPEN SPACE DESIGN

MONUMENTATION AND SIGNAGE

Monumentation and signage within Villages One and Two are designed to blend with the overall Belmont community theme through consistent use of materials and simple detailing. Four classifications of monumentation have been designed for Belmont: Primary Entry, Secondary Entry, Village Entry and Neighborhood Entry. Proposed monument locations for the Primary, Secondary and Village Entries are illustrated in Figure 7.

The primary entries will be the largest entry monuments, located at a few strategic perimeter locations, to announce the arrival into the overall Belmont project. Primary entries are proposed at the intersection of 347th Avenue and Thomas Road, and Camelback Road at the eastern property line.

Secondary entries will be located along the perimeter of the project predominately where collector roadways provide access to the community. The secondary entry monuments similar to the primary entry in design and material, though smaller in scale, will be located along 339th Avenue between Thomas and Indian School Roads and at Indian School Road and the western property boundary.

Village entry features are located where collectors and some arterials form portals to the villages. The village entries are iconic and provide a sense of arrival to each village. Monuments with signage may be located on one or more sides of the entry area using the same materials. Specimen trees will be placed to frame the monument and create village character.

Neighborhood entry features are located at parcel entries to further emphasize the community theme and provide a sense of arrival to each neighborhood. Materials used will be consistent with the overall design theme for Belmont. Neighborhood entry monuments will be located outside of the right-of-way.

All signage for Villages One and Two will be compliant with the Maricopa County Zoning Ordinance.

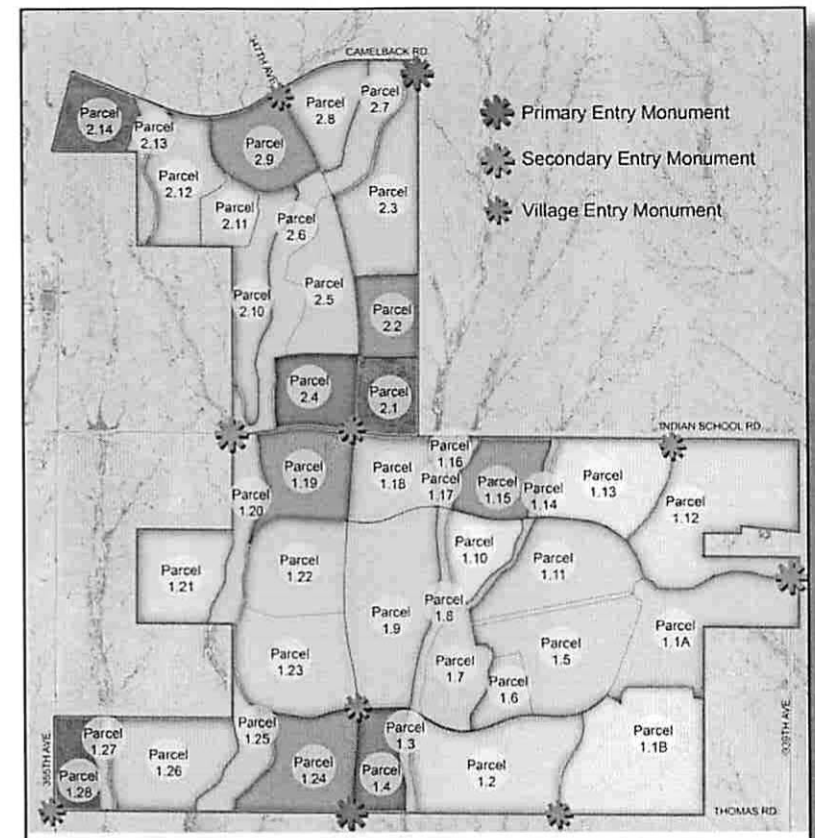
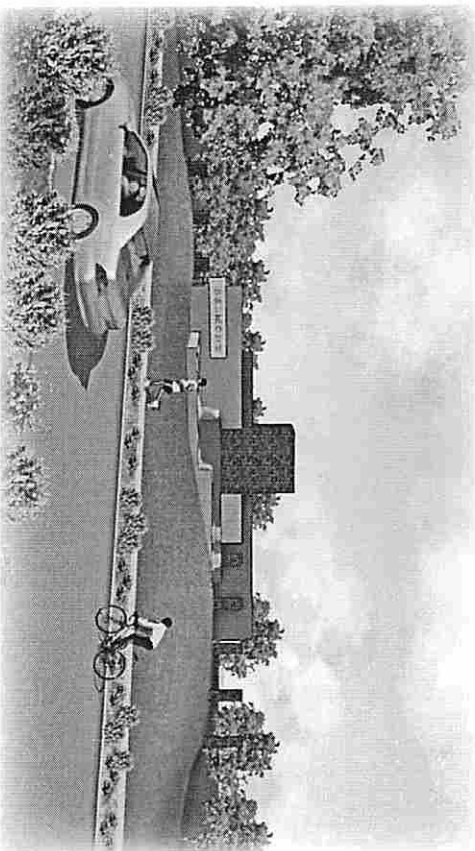
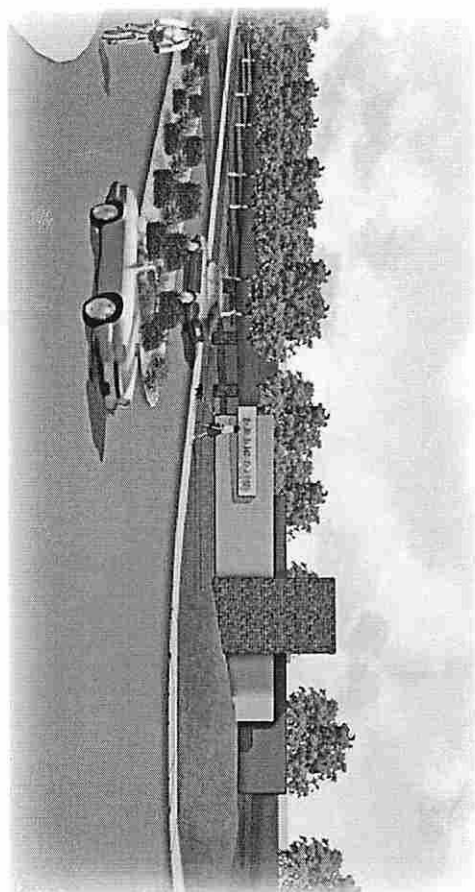


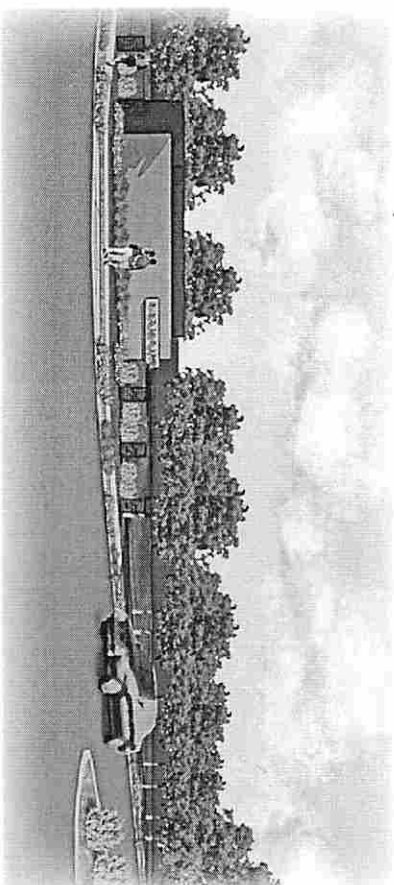
FIGURE 7: CONCEPTUAL MONUMENT LOCATIONS



CONCEPTUAL PRIMARY ENTRY MONUMENT



CONCEPTUAL SECONDARY ENTRY MONUMENT



CONCEPTUAL VILLAGE ENTRY MONUMENT

FIGURE 8: CONCEPTUAL ENTRY MONUMENTS

The walls within Villages One and Two will compliment the monumentation and signage, and materials and details will be consistent with the overall design theme for the Belmont community. There will be multiple wall types utilized including theme walls, builder and subdivision walls, view walls and retaining walls. All walls will meet the regulations set forth in the Maricopa County Zoning Ordinance.

Theme walls are provided where homes directly or indirectly back or side on a parkway, arterial, or collector roadway, as well as adjacent to highly visible open space and amenity areas. Repeated accent panels and/or staggers in the theme wall are encouraged to break up long runs and to provide visual interest.

View walls will be provided adjacent to open space areas and along rear property lines, where appropriate. Additionally, view walls will be used at the end of cul-de-sacs and along roadways where appropriate. The view walls will meet all pool barrier requirements where abutting a residential lot. The view walls and columns will be constructed and finished with materials consistent with the character of the theme walls.

Builder walls and subdivision walls, which compliment the theme wall, will be utilized throughout the project. Subdivision walls will be used at the end of blocks where a landscape tract separates the lot from the local roadway. Builder walls will be used where lots back or side directly on the Belmont property line.

Belmont will incorporate active and viable homeowners associations with the responsibility of preserving the ongoing integrity of the community. The structure of the homeowner associations may include a master association governing the entire Belmont project with several sub-associations governing individual villages, multi-family, town home cluster and other housing projects. The homeowner associations will be responsible for maintaining common areas such as parks, landscape tracts, rights of way landscaping (through a maintenance agreement with MCDOT), open space, hardscape, monumentation and miscellaneous site amenities. The homeowner associations will also be tasked with maintaining harmony in the community through the implementation and enforcement of CC&Rs, design review guidelines, and architectural controls.

SADDLE MOUNTAIN SCHOOL DISTRICT

Two parcels within Villages One and Two have been identified as locations for two kindergarten-eighth grade (K-8) schools. Both sites are a minimum of twelve acres in size, as requested by the Saddle Mountain School District, and have been conceptually designed to accommodate one (1) baseball field, one (1) soccer field, and two (2) tot play areas. Each school site provides convenient parking and safe drop zones as well as trail and path connections to the surrounding neighborhoods.

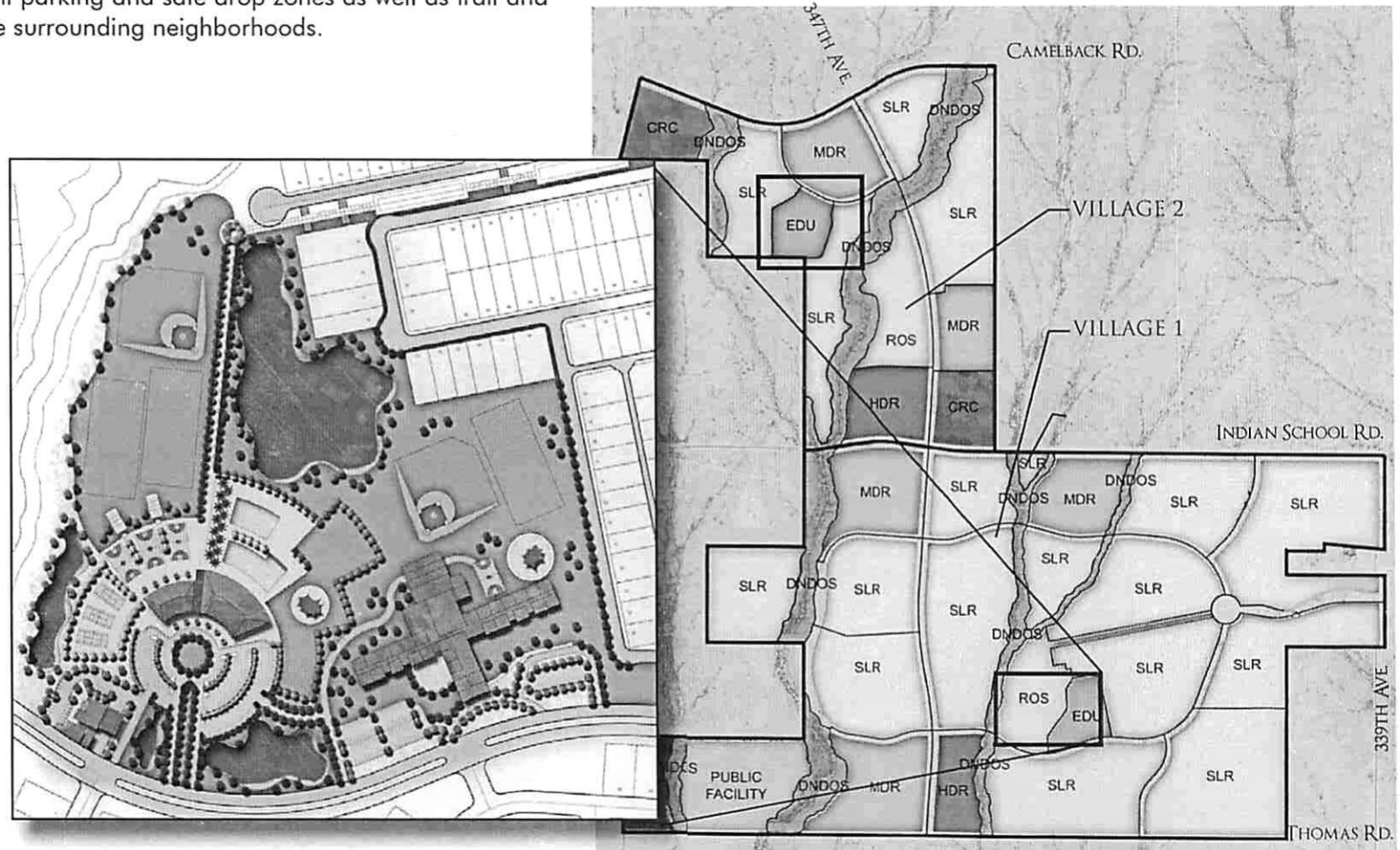


FIGURE 9: CONCEPTUAL SCHOOL LAYOUT

PUBLIC UTILITIES AND SERVICES

ELECTRICAL SERVICE: Arizona Public Service (APS)
GAS SERVICE: Southwest Gas
TELEPHONE SERVICE: Qwest or Cox Communications
CABLE SERVICE: Qwest or Cox Communications

FIRE PROTECTION

Belmont has met with the Buckeye and Tonopah Valley Fire Districts as well as Rural Metro to discuss how each group would service the development, both in the early stages and through its growth and maturity. Because of the distance from all established services, Belmont has engaged a reputable consultant to evaluate each service provider. Evaluations and negotiations regarding fire services are still ongoing. One option being considered includes the formation of a new fire district for Belmont which would then contract with one of the three providers referenced above for services.

POLICE

The Maricopa County Sheriff's Office will provide law enforcement and protection service for Belmont. Belmont will continue to work with MCSO to ensure their needs are accommodated for law enforcement.

SEWER, WATER AND RECLAIMED WATER

The August 2006 Water and Wastewater Master Plans for Belmont have been reviewed and found technically complete and approvable for a preliminary master plan. To support this Zone Change with PAD overlay, detailed master plans have been prepared for water and wastewater specific to Villages One and Two, which match the preliminary water and sewer service concepts exhibited by the overall Development Master Plan for Belmont. These reports have been submitted under separate cover and provide detailed analyses of the water and wastewater system infrastructure needed to serve Villages One and Two.

Villages One and Two are included within the Hassayampa Utility Company's (HUC) and Water Utility of Greater Tonopah's (WUGT) Certificates of Convenience and Necessity as indicated by Decision No. 70357 filed with the applications to the Arizona Corporation Commission (ACC), Dockets 06-0566 and 06-0626, respectively. HUC and WUGT, wholly owned subsidiaries of Global Water Resources, LLC, will serve as the wastewater and water service providers, respectively, for the area.

HUC also gained Maricopa Association of Governments (MAG) Regional Council, State Water Quality Management Working Group, and Arizona Department of Environmental Quality (ADEQ) approval of a Clean Water Act Section 208 Water Quality Management Plan Amendment for their Northeast service area, which includes the Belmont property.

SEWER, WATER AND RECLAIMED WATER, CON'T

HUC plans to ultimately reuse and recharge effluent, also known as recycled water, within Belmont. For Villages One and Two, recycled water (when available) will be delivered via low pressure lines to lakes to provide non-potable water to irrigate such uses as schools and parks. A high pressure delivery line will be provided to irrigate such uses as landscape tracts, commercial areas, multi-family units and individual residential lots.

EMERGENCY MANAGEMENT

Villages One and Two are located within the 10-mile Emergency Planning Zone (EPZ) for Palo Verde Nuclear Power Station (PVNGS). The northern boundary of the 10-mile EPZ border is generally aligned with Bethany Home Road. Belmont will comply with all applicable State and County regulations, as well as provide an emergency evacuation plan.

Within and surrounding the 10-mile EPZ is an Outdoor Warning Siren System used to alert residents in times of emergency. Residents are provided calendars containing information about emergency evacuation routes and Reception and Care Center locations. If a development contains areas that are not covered by existing siren locations, additional sirens may be necessary, at the developer's cost, to provide adequate warning for residents. Siren location will be coordinated with the Emergency Planning Department at PVNGS.

LOCATION AND ACCESSIBILITY

Villages One and Two are located in the south central portion of the Belmont Master Planned Community. Access today is available from Interstate 10 through an existing interchange at 339th Avenue. A second interchange at 347th Avenue has been approved and will provide future access. In addition, Indian School Road is an existing paved two-lane roadway that provides east-west access to the site. Thomas Road will provide additional east-west access once constructed. McDowell Road will provide additional east-west access once constructed.

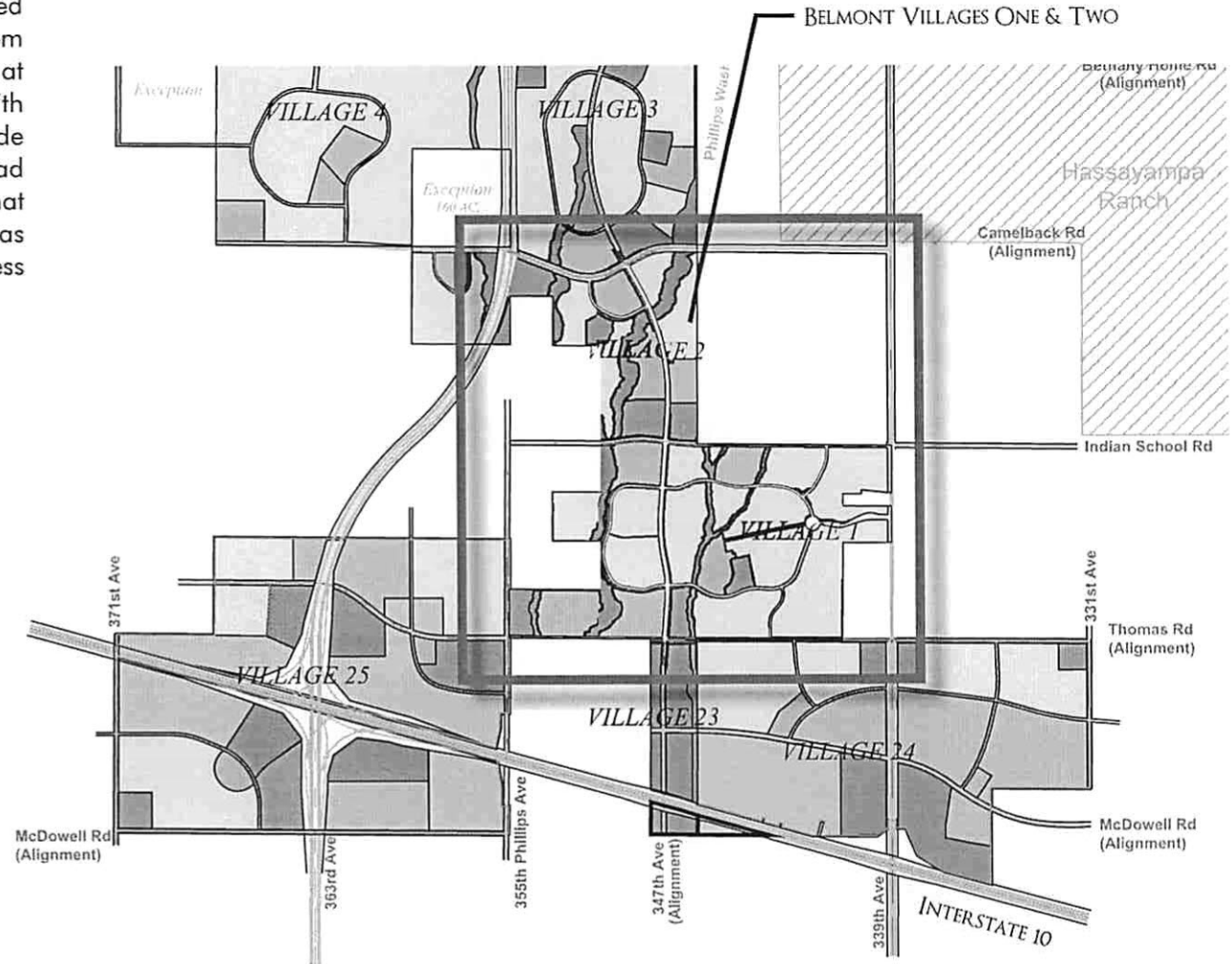


FIGURE 10: SITE ACCESS

CIRCULATION SYSTEM

The circulation system for the overall Belmont DMP is in accordance with the MAG Hassayampa Valley Transportation Framework Study. Planned major transportation routes serve Villages One and Two and the region on section lines where reasonable and on alignments that respond compatibly to natural features and land use patterns where required. This provides for an internal circulation system of major arterials on one mile and two mile intervals with collector roads providing internal loops and connections to disperse traffic. Half street improvements will be made to roadways adjacent to the Villages One and Two property line, which include Thomas Road, Indian School Road, Camelback Road, 339th Avenue and 355th Avenue. 347th Avenue, which runs north-south through Villages One and Two, will be constructed with full street improvements from Thomas Road north to Camelback Road.

County Standard street sections will be used throughout Villages One and Two. All plant material proposed for use within the medians and landscape tracts adjacent to the roadway will meet the Arizona Department of Water Resources (ADWR) requirements for low water-use plant material and be on the MCDOT approved plant list. Maintenance of plant material within rights of way will be the responsibility of the homeowner associations per the maintenance agreement with MCDOT.

The Traffic Impact Analysis Report for Belmont Phase One (Villages One and Two) has been submitted under separate cover.

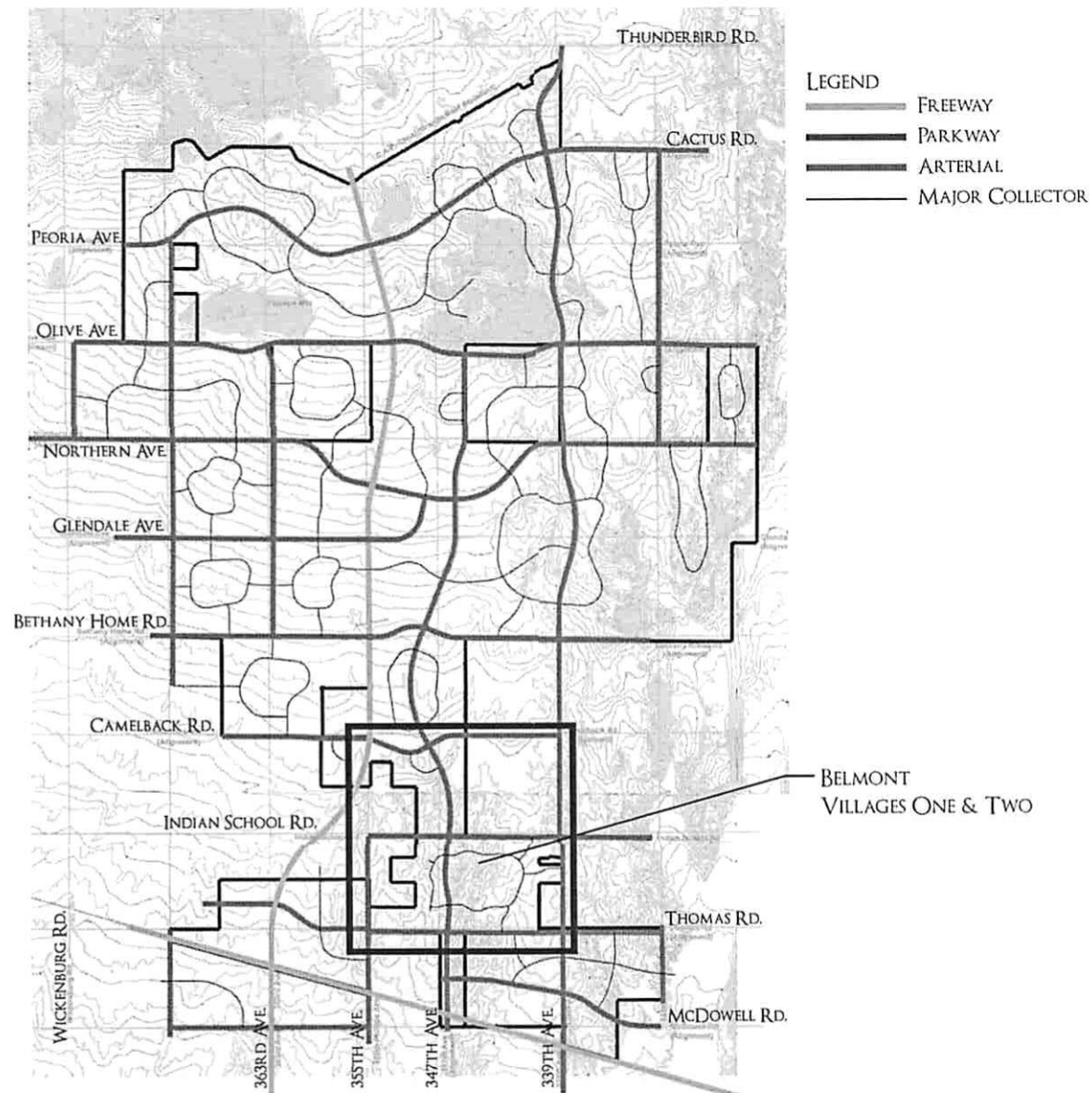
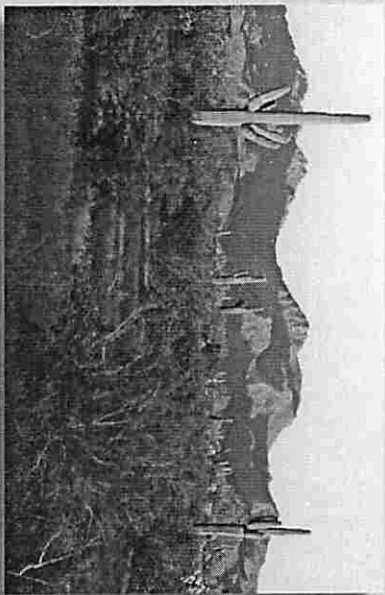


FIGURE 11: BELMONT CIRCULATION



APPENDIX A

PARCEL DESCRIPTION

Belmont
Villages 1 & 2

That part of Section 19, Section 29, and Section 30, Township 2 North, Range 5 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at the northeast corner of said Section 29, a brass cap in handhole, from which the east quarter corner of said Section 29, a brass cap in handhole bears South 00°10'55" West (basis of bearings) a distance of 2635.15 feet, said point being the **POINT OF BEGINNING** of the herein described parcel;

THENCE along the east line of said Section 29, South 00°10'55" West, a distance of 1291.17 feet;

THENCE leaving said east line, North 84°10'05" West, a distance of 815.59 feet;

THENCE South 01°25'51" East, a distance of 101.26 feet;

THENCE North 89°25'47" West, a distance of 512.37 feet;

THENCE South 00°14'58" West, a distance of 329.65 feet;

THENCE South 89°26'27" East, a distance of 1321.55 feet, to said east line;

THENCE along said east line, South 00°10'55" West, a distance of 988.18 feet, to said east quarter corner of said Section 29;

THENCE leaving said east line, along the east-west mid-section line of said Section 29, North 89°28'29" West, a distance of 1322.71 feet;

THENCE leaving said east-west mid-section line, South 00°19'06" West, a distance of 2641.77 feet, to the south line of said Section 29;

THENCE along said south line, North 89°30'17" West, a distance of 1322.63 feet, to the south quarter corner of said Section 29, a brass cap;

THENCE continuing along said south line, North 89°29'00" West, a distance of 2644.56 feet to the southwest corner of said Section 29, being also the southeast corner of said Section 30, a brass cap;

THENCE leaving said south line, along the south line of said Section 30, North 89°27'54" West, a distance of 2640.64 feet, to the south quarter corner of said Section 30, a brass cap;

THENCE continuing along said south line, North 89°27'28" West, a distance of 2479.29 feet, to the southwest corner of said Section 30, a brass cap in handhole;

THENCE leaving said south line, along the west line of said Section 30, North 00°32'44" East, a distance of 1321.39 feet;

THENCE leaving said west line, South 89°27'39" East, a distance of 2474.74 feet, to the north-south mid-section line of said Section 30;

THENCE along said north-south mid-section line, North 00°20'54" East, a distance of 1321.54 feet, to the center of said Section 30;

THENCE leaving said north-south mid-section line, along the east-west mid-section line, North 89°27'51" West, a distance of 1320.78 feet;

THENCE leaving said east-west mid-section line, North 00°20'47" East, a distance of 1321.50 feet;

THENCE South 89°27'16" East, a distance of 1320.82 feet, to said north-south mid-section line;

THENCE along said north-south mid-section line, North 00°20'52" East, a distance of 1321.51 feet, to the north quarter corner of said Section 30, being also the south quarter corner of said Section 19, a brass cap in handhole;

THENCE leaving said north-south mid-section line, along the north-south mid-section line of said Section 19, North 00°16'56" East, a distance of 2642.23 feet, to the center of said Section 19;

THENCE leaving said north-south mid-section line, along the east-west mid-section line of said Section 19, North 89°26'21" West, a distance of 1320.17 feet;

THENCE leaving said east-west mid-section line, North 00°16'18" East, a distance of 1321.07 feet;

THENCE North 89°24'57" West, a distance of 1188.17 feet;

THENCE North 14°02'44" East, a distance of 1164.36 feet;

THENCE South 68°01'27" East, a distance of 1453.26 feet, to the beginning of a curve;

THENCE easterly along said curve, having a radius of 1400.00 feet, concave northerly, through a central angle of 51°09'24", a distance of 1249.99 feet, to the curve's end;

THENCE North 60°49'09" East, a distance of 900.67 feet, to the beginning of a curve;

THENCE easterly along said curve, having a radius of 1400.00 feet, concave southerly, through a central angle of 29°42'15", a distance of 725.81 feet, to the curve's end, being also a point on the north line of said Section 19;

THENCE along said north line, South 89°28'36" East, a distance of 837.99 feet, to the northeast corner of said Section 19, a brass cap;

THENCE leaving said north line, along the east line of said Section 19, South 00°17'05" West, a distance of 2642.78 feet, to the east quarter corner of said Section 19, a brass cap flush;

THENCE continuing along said east line, South 00°16'47" West, a distance of 2641.80 feet, to the southeast corner of said Section 19, being also the northwest corner of said Section 29, a brass cap in handhole;

THENCE leaving said east line, along the north line of said Section 29, South 89°24'34" East, a distance of 2640.74 feet, to the north quarter corner of said Section 29, a brass cap in handhole;

THENCE continuing along said north line, South 89°23'04" East, a distance of 2639.25 feet, to the **POINT OF BEGINNING**.

Containing 1373.3660 acres, or 59,823,823 square feet, more or less.

Subject to existing rights-of-way and easements.

This parcel description is based on the unrecorded ALTA/ACSM Land Title Survey of Belmont prepared by CMX, Inc., Dated December 22, 2005, job number 7237.03 and other client provided information. This parcel description is located within an area surveyed by Manhard Consulting, LTD. during the month of September, 2007 and any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.



PLANT LIST

APPENDIX B

Lush Trees

<u>Botanical Name</u>	<u>Common Name</u>
Acacia salicina	Willow Acacia
Acacia saligna	Weeping Wattle
Caesalpinia cocalaco	Cascalote
Caesalpinia mexicana	Mexican Bird of Paradise
Chamaerops humilis	Mediterranean Fan Palm
Chitalpa tashkentensis 'Pink Dawn'	Chitalpa
Dalbergia Sissoo	Sissoo Tree
Eucalyptus papuana	Ghost Gum
Fraxinus uhdei	Evergreen Ash
Lysiloma watsonii thornberi	Feather Tree
Olea europaea 'Swan Hill'	Swan Hill Olive
Pinus canariensis	Canary Island Pine
Pinus eldarica	Mondell Pine
Pinus halepensis	Alleppo Pine
Pistacia chinensis	Chinese Pistache
Pistacia chinensis 'Sarah's Radiance'	Red Pistache
Prosopis hybrid 'Phoenix'	Hybrid Mesquite
Prosopis velutina	Velvet Mesquite
Quercus sp.	Oak
Rhus lancea	African Sumac

<u>Botanical Name</u>	<u>Common Name</u>
Schinus molle	California Perrper - Tree
Schinus terebinthifolius	Brazilian Pepper-Tree
Sephora secundiflora	Texas Mountain Laurel
Thevetia peruviana	Tree Oleander
Tipuana tipu	Tipu Tree
Trachycarpus fortunei	Windmill Palm
Ulmus parvifolia	Chinese Evergreen Elm

Desert Trees

Acacia sp.	Acacia
Chilopsis linearis	Desert Willow
Olneya tesota	Ironwood
Parkinsonia Hybrid	
'Desert Museum'	Desert Museum Palo Verde
Parkinsonia floridum	Blue Palo Verde
Parkinsonia microphyllum	Foothills Palo Verde
Parkinsonia praecox	Palo Brea
Pithecellobium flexicaule	Texas Ebony
Populus fremontii	Freemont Cottonwood
Prosopis chilensis	Chilean Mesquite
Prosopis glandulosa	Texas Honey Mesquite
Vitex agnus-castus	Chaste Tree

NOTE: Only plants on MCDOT Approved Plant List are allowed in right-of-way.

PLANT LIST

Lush Shrubs

<u>Botanical Name</u>	<u>Common Name</u>
Caesalpinia sp.	Bird of Paradise
Carissa macrocarpa	Natal Plum
Calliandra californica	Baja Red Fairy Duster
Callistemon viminalis	Bottlebush
Cycas revoluta	Sago Palm
Dodonaea viscosa	Hopbush
Eremophila sp.	Emu Bush
Eriogonum spp.	Buckwheat
Euphorbia rigida	Gopher Plant
Hyptis emoryi	Desert-lavender
Ilex vomitoria	Yupon Holly
Juniperus chinensis spp.	Juniper
Lavandula sp.	Lavender
Leucophyllum sp.	Ranger
Nerium oleander	Oleander
Phoenix roebelenii	Pygmy Date Palm
Plumbago auriculata	Cape Plumbago
Plumbago scandens 'Summer Snow'	Summer Snow Plumbago
Rosmarinus officinalis	Rosemary
Ruellia sp.	Ruellia
Tecoma stans	Yellow Bells
Tecoma stans 'Orange Jubilee'	Orange Jubilee
Tecomaria capensis	Cape Honeysuckle
Teucrium fruticans	Bush Germander
Viguiera deltoidea	Golden Eye

Desert Shrubs

<u>Botanical Name</u>	<u>Common Name</u>
Ambrosia deltoidea	Bursage
Ambrosia dumosa	White Bursage
Anisacanthus quadrifidus	Flame honeysuckle
Asclepias subulata	Desert Milkweed
Buddleia marrubifolia	Woolly Butterfly Bush
Caesalpinia sp.	Bird of Paradise
Calliandra eriophylla	Fairyduster
Celtis pallida	Desert Hackberry
Cordia parvifolia	Little Leaf Cordia
Dalea frutescens	Black Dalea
Dalea pulchra	Indigo Bush
Dodonaea viscosa	Hopseed Bush
Encelia farinosa	Brittlebush
Ephedra trifurca	Mormon tea
Ericameria laricifolia	Turpentine Bush
Eremophila sp.	Emu Bush
Hesperaloe sp.	Red Yucca
Justicia sp.	Mexican Honeysuckle
Larrea tridentata	Creosote Bush
Leucophyllum sp.	Ranger
Nolina microcarpa	Beargrass
Salvia sp.	Sage
Senna sp.	Cassia
Simmondsia chinensis	Jojoba
Sphaeralcea ambigua	Globemallow
Vauquelinia sp.	Rosewood
Zauschneria californica	California fuchsia

PLANT LIST

Lush Accents

<u>Botanical Name</u>	<u>Common Name</u>
Agave sp.	Agave
Aloe sp.	Aloe
Anigozanthos flavidus	Kangaroo Paw
Bougainvillea sp.	Bougainvillea 'Torch Glow'
Bulbine frutescens	Bulbine
Dasyllirion quadrangulatum	Mexican Grass Tree
Hesperaloe sp.	Red Yucca
Hibiscus rosa-sinensis	Hibiscus
Muhlenbergia capillaries	Regal Mist
Muhlenbergia dumosa	Giant Muhly
Muhlenbergia emersleyi 'El Toro'	Bull Grass
Muhlenbergia lindheimeri 'Autumn Glow'	Autumn Glow Muhly
Muhlenbergia porteri	Bush Muhly
Muhlenbergia rigens	Deer Grass
Muhlenbergia rigida	Purple Muhly
Nolina nelsoni	Blue Nolina
Pedilanthus macrocarpus	Lady Slipper
Penstemon sp.	Penstemon
Pyracantha sp.	Pyracantha fire-thorn
Rosa banksiae	Lady Bank's Rose
Trachelospermum jasminoides	Star Jasmine
Yucca recurvifolia	Weeping Yucca

Desert Accents

<u>Botanical Name</u>	<u>Common Name</u>
Agave sp.	Agave
Aloe sp.	Aloe
Asclepias subulata	Desert Milkweed
Cactaceae sp.	Cactus
Clytostoma callistegioides	Violet Trumpet Vine
Dasyllirion sp.	Desert Spoon
Hardenbergia violacea	Hardenbergia
Fouquieria splendens	Ocotillo
Muhlenbergia rigens	Deer Grass
Penstemon sp.	Penstemon
Rosa banksiae	Lady Bank's Rose
Yucca sp.	Yucca

Lush Groundcovers

Asparagus densiflorus	Asparagus Fern
Convolvulus sp.	Bush Morning Glory
Gazania spp.	Gazania
Lantana sp.	Lantana
Melampodium leucanthum	Blackfoot Daisy
Oenothera berlandieri	Mexican Evening Primrose
Rosmarinus officinalis 'Prostratus'	Dwarf Rosemary
Ruellia brittoniana 'Katie'	Katie Ruellia
Tagetes spp.	Marigold
Tetrandeum acaulis (Hymenoxys acaulis)	Angelita Daisy
Wedelia trilobata	Yellow Dots
Teucrium chamaedrys 'Prostratum'	Dwarf Germander
Zephyranthes spp.	Rain Lilly

PLANT LIST

Desert Groundcover

<u>Botanical Name</u>	<u>Common Name</u>
Baileya multiradiata	Desert Marigold
Berlandiera lyrata	Chocolate Flower
Bulbine frutescens	Bulbine
Chrysactinia mexicana	Damianita
Glandularia gooddingii	Gooding Verbena
Glandularia peruviana	Peruvian Verbena
Glandularia rigida	Sandpaper Verbena
Glandularia tenera	Moss Verbena
Tetranneuris acaulis(Hymenoxys acaulis)	Angelita Daisy
Oenothera caespitosa	Tufted Evening Primrose
Psilostrophe cooperi	Paper Flower

ATTACHMENT 3

EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY APPLICATION NO. 28-400903.0000

OWNERS AND PERCENTAGE INTEREST

Belmont LKY 20K Limited Partnership L.L.L.P.	48.42520853742%
Boa Sorte Limited Partnership	8.07085239062%
Viel Gluck Limited Partnership	8.07085239062%
Ben Fatto Limited Partnership	8.07085240085%
SMT Investors Limited Partnership	7.58768562251%
Cardon Family, L.L.C.	4.03544269964%
Far Marel, L.L.C.	4.03544148902%
Mt. Olympus Investments, L.L.C.	4.03544148901%
Goodwin Consultants, L.L.C.	3.14958292516%
Neal Management, L.L.C	2.92011839141%
Michael T. Cowley, Timothy N. Cowley and Suzette C. Tyler, and their successors in Trust, as Trustee of the ANC Irrevocable Trust Date October 18, 2004	1.59852166374%

SPECIAL REPORT

SCHEDULE A

1. This report is for informational purposes only and is not to be considered as a commitment to issue any form of Title Insurance Policy. This report is for the sole use and benefit of the parties set forth in Number 2 below and liability is hereby limited to the amount of the fee paid.

This report was prepared from only those items of public record shown in the title plant indices of the issuing company to show the condition of title as reflected by same. Those items to which the hereinafter described land is subject are set forth in Schedule B, Part Two. No attempt has been made to reflect the condition of title relating to the items set forth in Schedule B, Part One.

2. For the use and benefit of:

LKY Development Company, Inc., an Arizona corporation

3. The Title to the fee as to Parcel No.(s) 1-42 and Easement as to Parcel No.(s) 43, 44 and 45 in the land described herein is at this date hereof vested in:

Belmont LKY 20K Limited Partnership, L.L.L.P., an Arizona limited liability limited partnership, as to an undivided 48.42520853742% interest; Goodwin Consultants, L.L.C., an Arizona limited liability company, as to an undivided 3.14958292516% interest; Boa Sorte Limited Partnership, an Arizona limited partnership as to an undivided 8.07085239062% interest; Viel Gluck Limited Partnership, an Arizona limited partnership as to an undivided 8.07085239062% interest; Ben Fatto Limited Partnership, an Arizona limited partnership as to an undivided 8.07085240085% interest; Michael T. Cowley, Timothy N. Cowley and Suzette C. Tyler, and their successors in Trust, as Trustees of the ANC Irrevocable Trust, dated October 18, 2004, as to an undivided 1.59852166374% interest; Cardon Family, L.L.C., an Arizona limited liability company, as to an undivided 4.03544269964% interest; Far Marel, L.L.C., an Arizona limited liability company, as to an undivided 4.03544148902% interest; Mt. Olympus Investments, L.L.C., an Arizona limited liability company, as to an undivided 4.03544148901% interest; Neal Management, LLC, an Arizona limited liability company, as to an undivided 2.92011839141% interest; SMT Investors Limited Partnership, an Arizona limited partnership, as to an undivided 7.58768562251% interest

4. The land referred to in this report is situated in Maricopa County, Arizona, and is described as:

SEE EXHIBIT "A" ATTACHED HEREIN

Search made to September 07, 2011 at 7:30 A.M.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: Cynthia L. Friese/KLB/JAM/EAB (602)567-8100

EXHIBIT "A"

PARCEL NO. 1:

LOTS 1 THROUGH 4, INCLUSIVE; THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF OF SECTION 1, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXCEPT THAT PORTION DEEDED TO BALCIRAK PARTNERSHIP IN 93-637673, OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 1;

THENCE SOUTH 00 DEGREES 17 MINUTES 41 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION, 1000.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00 DEGREES 17 MINUTES 41 SECONDS WEST, ALONG SAID EAST LINE, 1639.04 FEET TO THE EAST QUARTER CORNER THEREOF;

THENCE SOUTH 00 DEGREES 23 MINUTES 34 SECONDS WEST, CONTINUING ALONG SAID EAST LINE, 2642.64 FEET TO THE SOUTHEAST CORNER OF SAID SECTION;

THENCE NORTH 89 DEGREES 42 MINUTES 22 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION, 2662.43 FEET TO THE SOUTH QUARTER CORNER THEREOF;

THENCE NORTH 89 DEGREES 41 MINUTES 43 SECONDS WEST, CONTINUING ALONG SAID SOUTH LINE, 2655.28 FEET TO THE SOUTHWEST CORNER OF SAID SECTION;

THENCE NORTH 00 DEGREES 50 MINUTES 44 SECONDS EAST, ALONG THE WEST LINE OF SAID SECTION, 2638.32 FEET TO THE WEST QUARTER CORNER THEREOF;

THENCE NORTH 00 DEGREES 42 MINUTES 27 SECONDS EAST, CONTINUING ALONG SAID WEST LINE, 2252.56 FEET;

THENCE SOUTH 89 DEGREES 32 MINUTES 50 SECONDS EAST, PARALLEL WITH AND 400.00 FEET SOUTH OF THE NORTH LINE OF SAID SECTION, 265.00 FEET;

THENCE NORTH 00 DEGREES 42 MINUTES 27 SECONDS EAST, PARALLEL WITH AND 265.00 FEET EAST OF SAID WEST LINE, 200.00 FEET;

THENCE SOUTH 89 DEGREES 32 MINUTES 50 SECONDS EAST, PARALLEL WITH AND 200 FEET SOUTH OF SAID NORTH LINE, 2375.79 FEET;

THENCE SOUTH 89 DEGREES 39 MINUTES 30 SECONDS EAST CONTINUING PARALLEL WITH AND 200 FEET SOUTH OF SAID NORTH LINE, 1318.84 FEET TO THE WEST LINE OF LOT 1 OF SAID SECTION;

THENCE SOUTH 00 DEGREES 27 MINUTES 05 SECONDS WEST, ALONG SAID WEST LINE, 800.00 FEET;

THENCE SOUTH 89 DEGREES 39 MINUTES 30 SECONDS EAST, PARALLEL WITH AND 1000.00 FEET SOUTH OF SAID NORTH LINE, 1321.77 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

LOTS 1 THROUGH 4, INCLUSIVE; THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF OF SECTION 3, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,

MARICOPA COUNTY, ARIZONA.

PARCEL NO. 3:

LOTS 1 THROUGH 4, INCLUSIVE; THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF OF SECTION 4, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 4:

LOTS 1 THROUGH 4, INCLUSIVE; THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF OF SECTION 5, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 5:

LOTS 1 THROUGH 7, INCLUSIVE; THE SOUTH HALF OF THE NORTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE SOUTHEAST QUARTER AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 6:

LOTS 1 THROUGH 4, INCLUSIVE; THE EAST HALF OF THE WEST HALF AND THE EAST HALF OF SECTION 7, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 7:

ALL OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 8:

ALL OF SECTION 9, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 9:

THE WEST HALF OF THE EAST HALF AND THE WEST HALF OF SECTION 10, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 10:

LOTS 1 THROUGH 4, INCLUSIVE; THE EAST HALF OF THE WEST HALF AND THE EAST HALF OF SECTION 18, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 11:

LOT 1, THE EAST HALF OF THE NORTHWEST QUARTER AND THE EAST HALF OF SECTION 19, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 12:

LOT 1, LOTS 4 THROUGH 7, INCLUSIVE; THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, THE SOUTH HALF OF THE SOUTHWEST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA

COUNTY, ARIZONA.

PARCEL NO. 13:

LOTS 9 AND 10 OF SECTION 18, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 14:

LOTS 2 THROUGH 6, INCLUSIVE; THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE EAST HALF OF THE SOUTHWEST QUARTER AND THE EAST HALF OF SECTION 19, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 15:

ALL OF SECTION 20, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 16:

ALL OF SECTION 21, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 17:

ALL OF SECTION 28, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 18:

ALL OF SECTION 29, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 19:

LOTS 1 THROUGH 4, INCLUSIVE; THE EAST HALF OF THE WEST HALF AND THE EAST HALF OF SECTION 30, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 30, A BRASS CAP IN HANDHOLE, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION, A BRASS CAP FLUSH, BEARS SOUTH 89° 27' 28" EAST (BASIS OF BEARING), A DISTANCE OF 2479.29 FEET;

THENCE ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, SOUTH 89° 27' 28" EAST, A DISTANCE OF 845.44 FEET;

THENCE LEAVING SAID SOUTH LINE, NORTH 00° 32' 32" EAST, A DISTANCE OF 95.00 FEET, TO A POINT ON A LINE 95.00 FEET NORTH OF SAID SOUTH LINE, BEING ALSO THE POINT OF BEGINNING OF HEREIN DESCRIBED PARCEL;

THENCE LEAVING SAID PARALLEL LINE, NORTH 01° 50' 08" EAST, A DISTANCE OF 1226.75 FEET;

THENCE SOUTH 89° 27' 39" EAST, A DISTANCE OF 1601.68 FEET, TO THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 30;

THENCE ALONG SAID NORTH-SOUTH MID-SECTION LINE, SOUTH 00° 20' 54" WEST, A DISTANCE OF 522.55 FEET;

THENCE LEAVING SAID NORTH-SOUTH MID-SECTION LINE, SOUTH 44° 07' 47" WEST, A DISTANCE OF 719.44 FEET;

THENCE SOUTH 01° 33' 54" WEST, A DISTANCE OF 182.90 FEET, TO SAID PARALLEL LINE;

THENCE ALONG SAID PARALLEL LINE, NORTH 89° 27' 28" WEST, A DISTANCE OF 1131.85 FEET, TO THE POINT OF BEGINNING.

PARCEL NO. 20:

LOTS 1 THROUGH 4, INCLUSIVE; THE EAST HALF OF THE WEST HALF AND THE EAST HALF OF SECTION 31, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 21:

ALL OF SECTION 33, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 22:

THE EAST HALF OF SECTION 34, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 23:

LOTS 1 THROUGH 4, INCLUSIVE; THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF OF SECTION 1, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 24:

ALL OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 25:

ALL OF SECTION 12, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 26:

THE NORTH HALF AND THE SOUTHWEST QUARTER OF SECTION 13, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 27:

THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 28:

THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 2 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 29:

LOT 3 OF SECTION 14, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND

MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 30:

THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 31:

LOTS 1 THROUGH 3, INCLUSIVE; THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF OF SECTION 23, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 32:

LOTS 2 THROUGH 4, INCLUSIVE; THE SOUTH HALF OF THE NORTHWEST QUARTER AND THE SOUTH HALF OF SECTION 24, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 33:

ALL OF SECTION 25, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 34:

THE EAST HALF AND THE EAST HALF OF THE WEST HALF OF SECTION 26, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 35:

THE EAST HALF OF SECTION 27, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 36:

ALL OF SECTION 34, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 37:

ALL OF SECTION 35, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 38:

THE WEST HALF, THE WEST HALF OF THE EAST HALF, THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29;

THENCE SOUTH 00 DEGREES 11 MINUTES 16 SECONDS WEST, ALONG THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER, 1291.13 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00 DEGREES 11 MINUTES 16 SECONDS WEST, 26.41 FEET;

THENCE NORTH 89 DEGREES 25 MINUTES 24 SECONDS WEST, ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER, 808.80 FEET;

THENCE NORTH 01 DEGREES 25 MINUTES 28 SECONDS WEST, 101.26 FEET;

THENCE SOUTH 84 DEGREES 09 MINUTES 42 SECONDS EAST, 815.59 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 39:

THE NORTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 40:

THE EAST HALF OF THE EAST HALF OF SECTION 31, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 41:

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 26, TOWNSHIP 3 NORTH, RANGE 6 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 42:

LOT 4, THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 43:

A RIGHT-OF-WAY FOR ROAD OVER THE NORTH 160 FEET OF THE NORTH HALF OF THE NORTHWEST QUARTER (ALSO KNOWN AS THE NORTH 160 FEET OVER LOTS 3 AND 4) OF SECTION 2, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS DISCLOSED BY THE RECORDS OF THE UNITED STATES DEPARTMENT OF INTERIOR - BUREAU OF LAND MANAGEMENT AND AS SET FORTH IN ASSIGNMENT BETWEEN SEVEN WEST PROPERTIES, AS ASSIGNOR, AND BURNS/ROSEHAUGH/MOUNTLEIGH ASSOCIATES, AS ASSIGNEE, RECORDED JUNE 8, 1988 IN 88-279084, OF OFFICIAL RECORDS.

PARCEL NO. 44:

A NON-EXCLUSIVE EASEMENT FOR ROADWAY AND UTILITIES AS RECORDED IN 88-371680, OF OFFICIAL RECORDS AND RE-RECORDED IN 88-394427, OF OFFICIAL RECORDS, OVER THOSE PORTIONS OF SECTIONS 29, 31 AND 32, TOWNSHIP 3 NORTH, RANGE 4 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED THEREIN.

PARCEL NO. 45:

A NON-EXCLUSIVE EASEMENT FOR PUBLIC ROADWAY, WATER AND SEWER AS RECORDED IN 92-0632430, OF OFFICIAL RECORDS, OVER THE NORTH 200 FEET OF LOTS 1 AND 2, SECTION 2, TOWNSHIP 2 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND THROUGH THE SOUTH HALF OF SECTION 36, TOWNSHIP 3 NORTH, RANGE 5 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

SCHEDULE B

PART ONE:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water; whether or not the aforementioned matters excepted are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
7. Lack of a right of access to and from the land.

SCHEDULE B

(All recording data refers to records in the office of the County Recorder in the County in which the land is situated.)

EXCEPTIONS:

1. Taxes for the full year of 2011.
(The first half is due October 1, 2011 and is delinquent November 1, 2011. The second half is due March 1, 2012 and is delinquent May 1, 2012 .)
2. An easement for electric transmission line and incidental purposes in the document recorded as Book 73 of Miscellaneous, Page 35.
3. An easement for roadway and incidental purposes in the document recorded as Docket 1567, Page 434 of Official Records.

(Affects Parcel No. 38)
4. An easement for highway and incidental purposes in the document recorded as Docket 4404, Page 299 of Official Records.

(Affects Parcel No. 40)
5. An easement for roadway and incidental purposes in the document recorded as Docket 6044, Page 373 of Official Records.

(Affects Parcel No. 38)
6. An easement for roadway and incidental purposes in the document recorded as Docket 6102, Page 98 of Official Records.

(Affects Parcel No. 38)
7. An easement for roadway and incidental purposes in the document recorded as Docket 6732, Page 526 of Official Records.

(Affects Parcel No. 38)
8. An easement for highway and drainage and incidental purposes in the document recorded as Docket 7089, Page 976 of Official Records.

(Affects Parcel No. 40)
9. An easement for telephone and telegraph lines and incidental purposes in the document recorded as 86-111064 of Official Records and Deed recorded as 2002-1198943 of Official Records.

(Affects Parcel Nos. 38 and 39)

10. An easement for ingress and egress and incidental purposes in the document recorded as 86-111065 of Official Records.

(Affects Parcel Nos. 38, 39 and 40)

11. An easement for ingress and egress and incidental purposes in the document recorded as 89-421677 of Official Records.

(Affects Parcel Nos. 38, 39 and 40)

12. An easement for roadway and incidental purposes in the document recorded as 90-509451 of Official Records.

(Affects Parcel Nos. 23 to 27)

13. An easement for roadway and incidental purposes in the document recorded as 90-509456 of Official Records.

(Affects Parcel Nos. 29 to 37)

14. An easement for roadway and incidental purposes in the document recorded as 90-509457 of Official Records.

(Affects Parcel Nos. 12 to 22)

15. An easement for roadway and incidental purposes in the document recorded as 90-555069 of Official Records.

(Affects Parcel Nos. 11, 28 and 39)

16. An easement for roadway and incidental purposes in the document recorded as 88-361096 of Official Records.

(Affects Parcel No. 23, 32, 33 and 45)

17. An easement for ingress and egress and incidental purposes in the document recorded as 93-637673 of Official Records.

(Affects Parcel No. 1)

18. An easement for road, bridge structure protection, drainage and incidental purposes in the document recorded as 85-411064 of Official Records.

(Affects Parcel No. 40)

19. An easement for road and incidental purposes in the document recorded as Docket 15106, Page 513 of Official Records.

(Affects Parcel No. 39)

20. An easement for road and incidental purposes in the document recorded as Docket 5307, Page 108 of Official Records.

(Affects Parcel No. 39)

21. An easement for ingress and egress and incidental purposes in the document recorded as 98-714863 of Official Records.

(Affects Parcel No. 41)

22. An easement for road and incidental purposes in the document recorded as 88-361096 of Official Records.
23. A plat recorded in Book 15, Page 50 of Road Maps, purporting to show a county roadway.
24. A plat recorded in Book 354, Page 4 of Road Maps, purporting to show a county roadway.
25. A plat recorded in Book 33, Page 93 of Road Maps, purporting to show a county roadway.
26. An easement for right of way for roadway and incidental purposes in the document recorded June 08, 1988 as 88-279084 of Official Records.
27. An easement for roadway and utilities and incidental purposes in the document recorded as 88-371680 of Official Records and re-recorded as 88-394427 of Official Records.
28. An easement for public roadway, water and sewer and incidental purposes in the document recorded as 92-632430 of Official Records.
29. A deed of trust to secure an original indebtedness of \$None Shown, and any other amounts or obligations secured thereby, recorded February 03, 2006 as 2006-162901 of Official Records.

Dated: February 03, 2006

Trustor: Belmont LKY 20K Limited Partnership, L.L.L.P., as to an undivided 48.42520853742% interest; Boa Sorte Limited Partnership, as to an undivided 8.07085239062% interest; Viel Gluck Limited Partnership, as to an undivided 8.07085239062% interest; Ben Fatto Limited Partnership, as to an undivided 8.07085240085% interest; SMT Investors Limited Partnership, as to an undivided 7.58768562251% interest; Cardon Family, L.L.C., as to an undivided 4.03544269964% interest; Far Marel, L.L.C., as to an undivided 4.03544148902% interest; Mt. Olympus Investments, L.L.C., as to an undivided 4.03544148901% interest; Goodwin Consultants, L.L.C., as to an undivided 3.14958292516% interest Neal Management, L.L.C., as to an undivided 2.92011839141% interest and Michael T. Cowley as Trustee of the ANC Irrevocable Trust, dated October 18, 2004, as to an undivided 1.59852166374% interest

Trustee: First American Title Insurance Company

Beneficiary: Touse Homes, Inc., a Florida corporation doing business in Arizona as Engle Homes

According to the public records, the beneficial interest under the deed of trust was assigned to Solar AZ LLC, an Arizona limited liability company by assignment recorded January 26, 2010 as 2010-0064172 of Official Records.

The effect of Deed of Release and Reconveyance recorded November 01, 2010 as 2010-0952441 of Official Records.

30. The terms and provisions contained in the document entitled "Navigability of Small and Minor Water Courses in Maricopa County" recorded November 14, 2007 as 2007-1220268 of Official Records.

31. The terms and provisions contained in the document entitled "Infrastructure Coordination and Finance Agreement" recorded January 23, 2008 as 2008-0061205 of Official Records.
32. An easement for pedestrian and vehicular ingress and egress and utility lines and incidental purposes in the document recorded as 2008-0951344 of Official Records.

(Affects Parcel No. 19)

33. Terms and provisions of an unrecorded lease dated September 16, 2009, by and between Belmont LKY 20K Limited Partnership, L.L.P., an Arizona limited liability limited partnership, as to an undivided 48.42520853742% interest, Boa Sorte Limited Partnership, an Arizona limited partnership, as to an undivided 8.07085239062% interest, Viel Gluck Limited Partnership, an Arizona limited partnership, as to an undivided 8.07085239062% interest, Ben Fatto Limited Partnership, an Arizona limited partnership, as to an undivided 8.07085240085% interest, SMT Investors Limited Partnership, an Arizona limited partnership, as to an undivided 7.58768562251% interest, Cardon Family, L.L.C., an Arizona limited liability company, as to an undivided 4.03544269964% interest, Far Marel, L.L.C., an Arizona limited liability company, as to an undivided 4.03544148902% interest, Mt. Olympus Investments, L.L.C., an Arizona limited liability company, as to an undivided 4.03544148901% interest, Goodwin Consultants, L.L.C., an Arizona limited liability company, as to an undivided 3.14958292516% interest Neal Management, L.L.C., an Arizona limited liability company, as to an undivided 2.92011839141% interest, and Michael T. Cowley, as Trustee of the ANC Irrevocable Trust dated October 18, 2004 as to an undivided 1.59852166374% interest as lessor and Buckeye Communications, LLC, an Arizona limited liability company as lessee, as disclosed by a Memorandum of Tower Site Lease Agreement recorded November 19, 2009 as 2009-1068299 of Official Records.
34. The effect of inclusion with the flood control district of said county as disclosed by instrument recorded October 21, 2010 as 2010-0922740 of Official Records.
35. Water rights, claims or title to water, whether or not shown by the public records.

End of Schedule B

**First American Title
Insurance Company
National Commercial
Services**



**The First American
Corporation**

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from public records or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our web site at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial services providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products and services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Background Information

Office of Assured & Adequate Water Supply

General Information and Review Status

File Number **42-400903.0002** Subdivision **Belmont**

AMA **PHOENIX AMA**
County **Maricopa**
City

Date Received **10/03/2011**
Application Status **Issued**
Status Date **10/06/2011**

☒ Plat Active

Primary Water Provider

Owner **Belmont LKY 20K LLLP, an Arizona limited liability limited partnership, etal.**

Quad:	T	½	R	½	Sec	Q160	Q40	Q10	Q2½
B	2		5		3				
B	2		5		4				
B	2		5		5				
B	2		5		6				
B	2		5		7				
B	2		5		8				
B	2		5		9				
B	2		5		10				
B	2		5		18				
B	2		5		19				
B	2		5		29				
B	2		5		30				
B	2		5		31				
B	2		6		1				
B	2		6		2				
B	2		6		11				
B	2		6		12				
B	2		6		13				
B	2		6		14				
B	2		6		24				
B	3		5		17				
B	3		5		18				
B	3		5		19				
B	3		5		20				
B	3		5		21				
B	3		5		28				
B	3		5		29				
B	3		5		30				
B	3		5		31				
B	3		5		32				

Office of Assured & Adequate Water Supply General Information and Review Status

File Number **42-400903.0002** Subdivision **Belmont**

B	3	5	33
B	3	5	34
B	3	6	14
B	3	6	23
B	3	6	24
B	3	6	25
B	3	6	26
B	3	6	35
B	3	6	36

REVIEW / APPROVAL STATUS

Office of Assured Water Supply	Richard	Obenshain	Approved	10/04/2011
OAWS - Peer	Diane	Kusel	Approved	10/05/2011
Water Quality	Richard	Obenshain	Approved	10/04/2011
Active Management Area	Richard	Obenshain	Approved	10/04/2011
Hydrology	Richard	Obenshain	Approved	10/04/2011
Legal	Diane	Kusel	Approved	10/05/2011

Office of Assured and Adequate Water Supply Application Review

File Number 42-400903.0002

Subdivision Belmont

☒ Application Complete

Land Owner Verified

☐ Plat Change

☐ Change of Ownership

☐ Hydrologic study attached

☒ Independent Review

☐ Mat. Plat Change

☐ Full Assignment

☐ Update Study

☐ GRD

☐ Partial Assignment

☐ Contracts attached

☐ 708

☐ Plat

☒ Correct Fees

Financial Capability

☐ Performance Bond

☐ Constructed Infrastructure

☒ Does Owner Name match application?

NumLots

Owner Name Belmont LKY 20K LLLP, an Arizona
limited liability limited partnership,
etal., owner,

City/County Platting Auth

Public Notice

Date Declared Complete 10/04/2011

Date Complete and Correct 10/04/2011

Date of First Notice

Date of Second Notice

Final Date for Public Comment

Posted to Website

Elements of Water Delivery System

☐ Protests ☐ Hearing

☐ Signed NOI

☐ Off-Site Pipeline

☐ Potable Delivery System

☐ Effluent Delivery System

Original File CAWS

☐ Potable Storage Facility

☐ Effluent Treatment Facility

☐ Potable Treatment Facility

☐ Other:

Conveying CAWS

Assign as Type A

☐ Assigned Portion

☐ Retained Portion

☐ Both Assigned and Retained Portion

☐ Full Assignment

Qualification as Type A

☐ Groundwater via existing service area right

☐ Groundwater via pending service area right

☐ CAP via provider's non-declining, long-term M&I subcontract

☐ Surface water via provider's SW right or claim

☐ Effluent owned and served via provider

☐ Type 1 owned by provider

Office of Assured and Adequate Water Supply Application Review

File Number 42-400903.0002

Subdivision Belmont

Time Frame

Application Routed to

OAWS Comments

OAWS Reviewers

Office of Assured Water Supply	Richard Obenshain	Approved	10/04/2011
OAWS - Peer	Diane Kusel	Approved	10/05/2011

Office of Assured and Adequate Water Supply Legal Review

File Number 42-400903.0002

Subdivision

Belmont

**Legal Ownership/Authority
Consistent**

Application verified	Yes
NOI to Serve verified	No
Construction Assurance Form verified	No
Public Notice verified	No
GRD Application verified	No
Other Contracts verified	No

Fully Executed

NOI to Serve	
Construction Assurance Form	
Appropriate Public Notice	No
Approval of other Divisions	No

Consistency with Management goal

Executed and recorded GRD agreement and covenants

 Stamped by Recorder's Office

 Internet Checked

Certificate of Extinguishment of GF Rights/Sufficient Quantity

Dry Lot/20 or fewer lot exemption

Special Circumstances

Legal Right to Use Water

Pri. Provider service area right

Sec. Provider service area right

Type 1

Type 2

Exempt domestic well

If non-groundwater, legal proof

Legal Issues

User When

Comments

User When

Legal Reviewer

Diane

Kusel

Approved

10/05/2011

Office of Assured and Adequate Water Supply Active Management Area Review

File Number 42-400903.0002

Subdivision Belmont

Water Provider

☐ CCN

☐ Dry Lot

☐ Plat

Provider Size

Credit Account

Demand Totals, af/yr

Residential

Non Residential

Construction

Lost + Unaccounted

Total Annual Demand 20000

100 Year Demands

Groundwater 2000000

Effluent

Surface Water

CAP Water

Total 100 yr Demand 2000000

Applicant's Estimate

Basic Groundwater Allowance

Extinguishment Credits

Stored Water Credits

Total Credits

Consistency with Management Plan

Provider's Conservation Target

☐ Is Provider in Compliance?

☐ Is there an Outstanding Admin Review?

☐ Applicant notified to refile NOI to Serve?

Consistency with Management Goal

Groundwater Rights verified?

Surface Water Right verified?

Extinguishment Processed?

☐ Waterlogged exemption requested

☐ Poor quality water exemption requested

☐ CAGRD Membership

☐ Dedication of LTSC

Office of Assured and Adequate Water Supply Active Management Area Review

File Number 42-400903.0002

Subdivision Belmont

Residential Demand

PPHU	GPCD or per house/day	Demand/HU/YR (af/yr)	No. HU (lots)	Residential Demand/Yr (af/yr)
------	-----------------------	----------------------	---------------	-------------------------------

Single Family (int)

Multi-Family (int)

Single Family Landscape (ext)

Multi-Family Landscape (ext)

Single Family Demand/HU/YR

Multi-Family Demand/HU/YR

Square Feet	Acres	Demand Factor (af/yr)	No. HU (lots)	Large Lot Adjustment Demand/Yr (af/yr)
-------------	-------	-----------------------	---------------	--

Average Lot Size (sq. ft)

TMP Model Lot Size (sq. ft)

Large Lot Adjustment

1/2 low water use

1/2 turf

Office of Assured and Adequate Water Supply Active Management Area Review

File Number 42-400903.0002

Subdivision Belmont

NonResidential Demand

	SqFt	Acres	Demand Factor (af/ac)	Non-Residential Demand (af/yr)
Common Area1				
Common Area2				
Right of Way				
Golf Course				
Commercial Use				
Public Pool (length x width = sqft)				
Parks1				
Parks2				
Retention/Detention Basins1				
Retention/Detention Basins2				
School Landscape1				
School Landscape2				
School Interior				

AMA Comments

AMA Reviewers

Active Management Area

Richard Obenshain

Approved

10/04/2011

Office of Assured and Adequate Water Supply Hydrology Review

File Number **42-400903.0002**

Subdivision **Belmont**

Subbasin **Hassayampa**

Aquifer description

Depth to Water, ft

WL change, ft/yr

Sat Thickness, ft

Impact Analysis Method

100YR Impact

Proj 100yr water level change, ft

Estimated depth to water after 100 years:

max, ft

Location

Source

Surface Water Supply

Firm Yield, af/yr

Median flow, af/yr

Groundwater Supply

Basis of Physical Availability

☐ Water Availability Letter/PAD

☒ Analysis

☐ Study included w/ application

☐ Hydrologic data on file

Original amount of physical availability, af/yr **20000**

Balance after this application, af/yr **20000**

Source of Physical Availability

28-400903.0000

20000

Total Availability, af: 20000

Demand

Applicant's projected demand, af/100 yrs

AMA's projected demand, af/100 yrs **2000000**

Hydro Comments

WRRBO 10/04/2011 New expiration date is 10/1/2018.

Hydro Reviewers

Hydrology

Richard Obenshain

Approved

10/04/2011

Office of Assured and Adequate Water Supply Water Quality Review

File Number **42-400903.0002** Subdivision **Belmont**

Primary Water Provider

Primary Provider System **undetermined**

PWS Number

New Provider (checked if yes)

☐

Is Water Provider in compliance with safe Drinking Water
Standards, per ADEQ/County ?

NA

Do the lab results meet the drinking water quality standards ?
(checked if yes)

☐

Is there a known WQARF, Superfund or Solid Waste site within
one mile?

No

Has the mitigation and migration analysis been submitted?
(checked if yes)

☐

Are there expected changes to water quality so as to make it
likely that the pledged water supply in the future will not meet
current water quality standards?

NA

Applicant has chosen NOT to prove water quality at this time

NA

Comments

User

When

Preliminary WQ Reviewer

Final WQ Reviewer

Richard

Obenshain

Approved

10/04/2011

FENNEMORE CRAIG, P.C.

3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012-2913
(602) 916-5000

Annie M. Stewart
Paralegal
Direct Phone: (602) 916-5714
Direct Fax: (602) 916-5914
astewart@fclaw.com

Law Offices
Phoenix (602) 916-5000
Tucson (520) 879-6800
Nogales (520) 281-3480
Las Vegas (702) 692-8000
Denver (303) 291-3200

September 28, 2011

Rick Obenshain
Office of Assured and Adequate Water Supply
Arizona Department of Water Resources
3550 North Central Avenue, 2nd Floor
Phoenix, AZ 85012

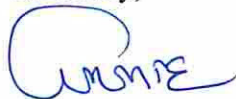
Re: Extension of an Analysis of Assured Water Supply No. 28-400903.0000

Dear Rick:

Enclosed is an Extension of an Analysis of Assured Water Supply Application for Analysis of Assured Water Supply No. 28-400903.0000 (Belmont), together with all attachments, and a check in the amount of \$1,000.00 for the initial fee.

If you have any questions or need additional information, please contact me. Thank you.

Sincerely,



Annie M. Stewart
Paralegal

Enclosures

cc: Larry K. Yount (w/attach)